

EUROPEAN NEWS

Italian political crisis deepened by terrorism

BY RUPERT CORNWELL IN ROME

AS PREMIER Sig. Giulio Andreotti prepared for the demise of his Government, extreme left-wing terrorists yesterday stepped up their onslaught with the assassination in Milan of one of Italy's leading younger magistrates...

tomorrow, following the withdrawal of Communist support for his administration last Friday. Sig. Andreotti dwelt above all on the economic turn-around in the country under his two Governments since July 1976...

Meanwhile, political leaders of all parties expressed their shock and sorrow at the death of Sig. Alessandrini. It was announced last night that Sig. Sandro Pertini, the Italian President, will be attending the funeral later this week...

Budget dispute splits the Nine

By Guy de Jonquieres, Common Market Correspondent in Brussels

A SPLIT has developed between governments of the Nine over how to deal with the constitutional dispute which has arisen from the European Parliament's decision to vote a substantial increase in the EEC regional fund as part of this year's Community budget...

THE ROMANIAN FOREIGN MINISTER IN MOSCOW

Claiming the freedom to differ

BY ROGER BOYES

MR. STEFAN ANDREI, the Romanian Foreign Minister, has arrived in Moscow for a week-long visit which is designed to ease some of the strains in relations between Bucharest and Moscow. East European diplomats, however, believe that Mr. Andrei will have a difficult time convincing Soviet leaders that Romania is the wayward member of the Warsaw Pact...

The Soviet Union's main bone of contention with Romania is that the latter has chosen to publicise the differences between the two countries. Western experts believe that the main thrust of the Moscow talks will be to persuade Romania to keep any disagreement under wraps, rather than actually setting disputes...

At the Warsaw Pact summit in Moscow last November, President Ceausescu adamantly refused to increase his country's defence budget or to ensure closer integration of the Romanian armed forces in the Warsaw Pact command structure...

Mr. Andrei then, though apparently well-liked by the Soviet leadership, will have problems during his visit. He is due to have talks with Mr. Andrei Gromyko, the Soviet Foreign Minister, and may meet Mr. Leonid Brezhnev, the Soviet President...

Moscow death sentence

BY OUR FOREIGN STAFF

MR. STEFAN ZADIKYAN, a leading Armenian dissident, has been sentenced to death by a Soviet court on charges of causing an explosion two years ago in the Moscow underground railway. Prosecutors said that Mr. Zadikyan's relatives were informed of the death sentence last Friday...

Mr. Zadikyan is 33, and a former student at Yerevan University. He was arrested with two other young Armenians in November, 1977, and accused of conspiring to plant a bomb at Moscow's Kuznetsky railway station...

Mr. Zadikyan was a member of the Armenian nationalist group, the National Unification Party (NOP). NOP's goal is the unification of the Armenian lands including Turkish Armenia and Karabach Nakhichevan...

EEC intervenes in Veba deal

BY ADRIAN DICKS IN BONN AND GILES MERRITT IN BRUSSELS

BRITISH PETROLEUM and Veba face a further delay in putting into effect the DM 500m deal agreed last summer, following an unexpected, last-minute intervention in the case by the European Commission in Brussels...

There is no suggestion, however, that Shell, Esso or Mobil should be required to change their shareholdings in Ruhrgas. The Commission's inquiry is expected to discuss ways in which BP might modify its shareholding, or limit its voting power...

Other governments have also voiced misgivings about the legality of the Parliament's action. But most of them appear prepared to make the contributions required by its version of the budget, at least temporarily while further efforts are made to achieve a negotiated political compromise...

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Jenkins jumps to defence of Haferkamp

By Our Brussels Staff

MR. ROY JENKINS, President of the European Commission, yesterday intervened publicly to defend his German colleague, Herr Wilhelm Haferkamp, against Press accusations that he has been incompetent and has made extravagant use of his expense account...

Dayan seeks to break the ice in Israeli-French relations

BY ROBERT MAUTHNER IN PARIS

THE ISRAELI Foreign Minister, Mr. Moshe Dayan, yesterday began a two-day official visit to France with the avowed aim of improving the cool relations between the two countries, which have existed ever since the Six-Day War in 1967...

Mr. Dayan's visit, which opened with talks with his French opposite number M. Jean Francois-Poncet, was the first from Paris by any member of the Israeli Cabinet since Mr. Menahem Begin became Prime Minister two years ago...

In a television interview at the weekend, Mr. Dayan suggested that France and its relations have been less hostile since the election in 1974, and helped Egypt and Israel to conclude a peace treaty...

More trouble for Irish Post Office

By Our Dublin Correspondent

THE LONG-STANDING dispute involving Irish Post Office engineers seems to be over with the acceptance by a considerable majority of proposals on a new pay and productivity scheme...

Portuguese banking clean-up

BY JIMMY BURNS IN LISBON

THE FINANCE MINISTRY has given Portugal's nationalised banks and main credit institutions one month to present their accounts and clarify their plans, in an attempt to increase banking efficiency and centralise decision-making...

The circular, justifying the latest initiative, refers to the need to know clearly and objectively the banking community's problems, which are not normally stated in annual reports...

National agreements

The massive claim from other workers, including telephonists and postmen, reflects the feeling that several sectors of the public service that other grades have kept ahead of national wage agreements during the last three years...

Spanish air strikes disruption

BY DAVID GARDNER IN BARCELONA

SPAIN'S air traffic controllers began a work to rule over the week-end. Severe disruption of Spanish air traffic is likely if the three 24-hour strikes called by the staff of Iberia, Spain's national airlines, take place early next month...

The lower figure in the wage band is meant to apply to public employees, but while national railway workers are due to settle for a 15 per cent rise, the controllers are complaining that they are not even being offered the 11 per cent increase...

in Madrid. Yesterday, traffic was cut by 10-20 per cent. The Iberia staff will be calling 24-hour strikes on February 6, 9, and 14, in a bid to force the management into accepting three conditions prior to opening wage negotiations...

THE DEVELOPMENT OF THE STAFFJORD FIELD

Short shrift for British complaints

DR. DICKSON MABON, British Minister of State for Energy, can expect both understanding and sharp riposte when he arrives in Oslo next week to follow up the toughly-worded letter he sent to Mr. Bjartmar Gjerde, Norway's Oil and Energy Minister, in December...

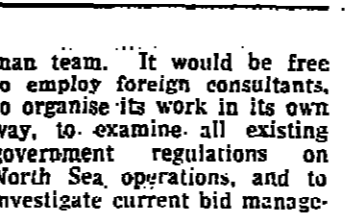
The report was drawn up by a group of licensees including the Norwegian State oil company, Statoil, the operating company Mobil, the British National Oil Corporation (BNOC), and Conoco, which has a share in both the Norwegian and British sectors of the field...

Britain's Minister of State for Energy Dr. Dickson Mabon (left) wants the Norwegian oil minister Mr. Bjartmar Gjerde (right) to tighten control of costs in the Staffjord development...



investment after tax could be as low as 14 per cent with the 'B' platform returning only 12 per cent. This compares with original, admittedly optimistic, estimates by companies of up to 45 per cent on the field as a whole...

development, not just of individual platforms. Dr. Mabon should be prepared, too, for more aggressive arguments from the Norwegian Minister. He is likely to point out that Norwegian companies have won orders representing only 0.2 per cent of the investment in the Murchison field...



platform's steel deck, for which only three Norwegian companies are competing. Otherwise, on the issue of more contracts for British companies, Dr. Mabon is likely to get little change from Mr. Gjerde. The Norwegians dispute the claim that only 67 per cent of the Staffjord 'A' work went to British companies...

an average daily production capacity of 150,000 barrels for a total investment now put at between Nkr 9.4bn and Nkr 10.5bn. The 'A' platform, which has suffered its own delays and cost growth, is planned to give 300,000 barrels a day for an investment of about Nkr 8bn...

The value of contracts awarded to the Norwegians in the British sector has fallen drastically since 1974 and 1975 and Norwegian companies complain that they have been implicitly excluded from lists of bidders...

Dr. Mabon already has won a concession from the Norwegians. The lists of bidders invited to tender for the 10 remaining 'packages' which will complete the equipment of the Staffjord 'B' platform, have been enlarged by Mobil, the operator, to allow two British companies to bid for each contract instead of one...

Dr. Mabon will get a firm proposal to his suggested change of plan for the location of the second Staffjord platform to allow it to be placed in the northern part of the reservoir, allowing the third platform to be placed in the British sector. Dr. Mabon has argued that such a relocation could save up to \$1bn in total development costs for the field...

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OVERSEAS NEWS

IRAN'S OPPOSITION

Waiting for Khomeini

BY ANDREW WHITLEY IN TEHRAN

AFTER ALL the false alarms and manoeuvring in Tehran and Paris over his return, when Ayatollah Khomeini finally steps off the plane at the capital's Mehrabad airport, the authorities permitting, he will be confronted by a sea of people surpassing in number any seen here in the mammoth demonstrations of recent months.

Tehran is in uproar. Emotions are running high. But the relative calm with which each twist and turn in the saga of his return has been accepted by the vast majority has been remarkable. When serious violence has taken place it has been usually initiated by the authorities and has involved relatively small groups of young people.

For days buses have been pouring in from the provinces bringing in hundreds of thousands of people wanting to show their solidarity and pay their respects to the man whose steadfast opposition to the Shah from his place of exile eventually forced the monarch's departure.

But the appearance of unity behind the 78-year-old religious leader in his scheme for a new order, an Islamic republic and a more traditional life style is deceptive. The crowds will turn out in their millions for the occasion—the high point of their new-found political freedom—but, for many, the purpose will be to greet him rather than consciously to endorse a fundamental change in the country's social and political direction.

Despite the risks involved in going against the tide, there were protests when local newspapers and the Ayatollah himself described previous mass rallies as referendums on an Islamic republic. At the eleventh hour those professional middle-class Iranians who have remained silent throughout the past year have started organising themselves to make their voices heard.

Inevitably the accusations have been frequent that their group in support of the constitution and social democracy is a cover for efforts to promote the standing of Dr. Bakhtiar, the Shah-appointed Prime Minister of the past three weeks, and even to engineer conditions for the Shah's return. An element of stage-management cannot be ruled out, but undoubtedly, many previously apolitical Iranians do want to support the middle way that will allow them

to retain something of their previous lifestyle.

In the wake of this movement have come the pro-Shah gangs of stick-wielders long feared by Iranians, especially remembering the way in which the Shah was brought back to power in 1953 after three days in forced exile. In the short term it is hard to imagine what those behind these gangs hope to gain, apart from straightforward intimidation and repression.

It would be a mistake to write off the chances of the Shah being brought back to Iran, either through a military coup whose leaders would then invite his return, or else through his biding his time until the former Opposition collapsed as a result of its own internal disputes. The senior officers of the armed forces are still solidly Royalist (though the junior ranks are steadily disintegrating) and they co-operate closely with courtiers and the many influential families who, made up the ranks around the Shah, watching how the situation develops.

Pro-monarchy feeling is still widespread, especially among more traditional households. Certain pockets of the countryside are also loyalist. But apart from the army there are no poles around which they can coalesce. The complete failure of Rastakhiz—the three-year experiment in creating a mass movement to underpin the throne—removed one possible channel.

Parliament, meanwhile, consists of the Right-wing Parliamentarians who have been strangely quiet in recent weeks, various pro-Khomeini splinters and a rump of undecided loyalists. All were elected on a Rastakhiz ticket in 1975 and count for little now.

The emergence of the Left, with attempts to establish a broad front ranging from a small group of socialists and western-style Social Democrats through to the pro-Moscow Tudeh party, has been a phenomenon of the past month.

Before the present crisis broke in full force, no one would have put the number of Left-wing sympathisers in Iran at more than 2 or 3 per cent. Activists were probably no more than 1,000, drawn mainly from the universities and the artistic community. The old Tudeh party which was such a force in 1953 is a pale shadow of its former self, largely discredited by its constituency in

Iran (if not in Moscow and Berlin).

Nevertheless, the bogey of a Communist takeover, exploiting Iran's internal divisions, is still alive in some circles here and in the West. In a rash moment, soon after coming to power, Dr. Bakhtiar himself revived the theme. But his talks of "Communist agents" slipping over the border and the supposed arrest in the Tehran bazaar of "192 armed Afghans in suspicious circumstances" (nothing further has been heard of the matter) is dismissed by most politically-aware Iranians.

Speculation of a Communist bid for power is unjustified. First there has been no hint of any separatist feeling, used as a vehicle by Moscow in the past. Indeed, most of the independent-minded Baluch tribes, are pro-Shah because his regime turned a blind eye to their cross-border smuggling in and out of Pakistan. Secondly, the Left is fractured into at least a dozen separate groups, without one dominant force around which the others could group if necessary.

Tactically the Left recognises that it has to go a long way along the Khomeini road. Indeed most of them have yet to part company with the main anti-Shah stream. Much of the pressure to organise themselves has come in response to attacks from increasingly vocal religious zealots.

During the short-lived membership of Mr. Jaafar Sharif-Emami last autumn, the country's doors were opened to the many thousands of self-exiled Iranians who had chosen to stay abroad during the 15 years of repression after 1963. Their return strengthened the ranks of the Left in particular, though knowledgeable sources say many of the returnees were lost in the midst of a genuine revolution.

Once back in Iran, the best known of the groups which used to fight the Shah from abroad, the Confederation of Iranian Students, announced that it intended to organise the 150,000 students in universities here as well. Lately the other party in exile, the Tudeh, has also moved energetically to make up lost ground. It decided about a week ago to take up arms, apparently because it feared a coup, though it has yet to show its hand.

Apart from the Tudeh, the only other clandestine groups committed to armed struggle are the Cherikbaye Fedayin-e-Khalq, or people's guerrillas, and some



Iran's Prime Minister, Dr. Shahpour Bakhtiar, tells a Press conference yesterday that he will not resign as demanded by the exiled opposition leader Ayatollah Khomeini.

tiny splinter groups on the extreme right.

Altogether there are 10 Marxist-Leninist factions. The most important is a breakaway from the Islamic guerrillas of the early 1970s, the Mujaheddin. Now known under the impossibly long title of the Sazmaney Peykar, da Rahe Asadieh Tabaqe Kargar, translated as the Organisation for the Freedom of the Working Class, their red banners have been much in evidence during recent mass demonstrations.

Twelve months ago simply to be accused of being a member of the Mujaheddin was enough to earn a life jail sentence from a secret military court, as happened to 15-year-old Nasrin Rezaie, the youngest girl in Iran's most celebrated guerrilla family. In contrast, nowadays the Mujaheddin and the Sazmaney Peykar are active, and fairly openly, recruiting.

In the open political forum nationalist left-wing views are represented by Mr. Mahmud Etemadzadeh's Democratic Unity Party and sections of Mr. Haj Seyyed Javadi's intellectual groupings known as "Jombesh." In the middleground of what to be the anti-Shah opposition are the human rights dissidents, professional men and women who can genuinely lay claim to having been the spark of the movement, through their open letters of protest about the lack of rule of law and the treatment of political prisoners in the

early summer of 1977. Informal ties exist between them and the National Front—or "Union of National Front Forces" as it is more correctly known—which revived itself in November 1977.

The National Front enjoys a position of power on one definition because it has managed to articulate politically the anti-Shah feelings of a wide cross-section of people, especially the young. But with the rise of the mosque-led, largely working class, religious tide the Front's own attraction has diminished to a narrow middle-class band. And the Front these days is an amorphous body which has very little grassroots organisation, living off its moral power and historical record from the days of Dr. Mossadegh in the early 1950s.

In the Shi'ite branch of Islam there is no formal hierarchy which would give a universally accepted command or organisational structure to a political movement. Different religious leaders of note, the Ayatollahs, have their separate followings, usually regionally based.

Currently the only figure approaching Khomeini in terms of influence that can be translated into political power is Kazem Shariat-Madhari in Qom. In theory he would certainly have settled for a genuinely constitutional monarchy under the present Shah, but in practice he was unable to go against the tide.

Reserve Bank role upsets S. African rand dealers

BY QUENTIN PEEL IN JOHANNESBURG

FOREIGN EXCHANGE dealers in South Africa reopened for business yesterday for the first time since the publication of the De Kock report recommending a managed float of the rand, but without any change in the official rand-dollar exchange rate.

For the first time, however, banks were allowed to fix their own buying and selling rates for transactions with the public. The result was a considerable narrowing of the spread as dealers competed for scarce dollars, with the rand softening fractionally against the dollar.

By the end of a hectic day, after a three-day closure last week, the major dealers were quoting a spread of dollars 1.1485 to 1.1495, compared with the South African Reserve Bank rate of 1.1486 to sellers and 1.1515 to buyers.

Dealers blamed the narrowing of the spread on the one-sided market, with foreign currency permanently in short supply because all receipts for gold, bullion, diamonds and public sector borrowing are still channelled directly through the Reserve Bank.

The dealers are generally unhappy about the extreme caution of the Reserve Bank in implementing the recommendations of the De Kock Commission. The commission proposed that the bank should no longer prescribe buying and selling rates, but should intervene in the market to keep the exchange rate within limits.

The report, which envisaged a dual exchange rate system of a commercial rand floating subject to official intervention, and a financial rand, available only for non-resident investments, freely

floating, also proposed that the proceeds of Krugerrand and diamond sales, and of public corporation borrowing, should be channelled through the authorised dealers. Neither of those recommendations has yet been implemented. Nor has a proposal that the dealers be allowed to make a charge for foreign exchange transactions with the general public.

"It is a very ugly market," one dealer said yesterday. "The volume has not increased significantly, but the spread is very tight." He believed that preferential sellers of foreign currency to the Reserve Bank, such as De Beers from the proceeds of its diamond sales, would put pressure to be allowed to seek a better price in the open market.

Accord near on Syria-Iraq ties

BY ROGER MATTHEWS IN DAMASCUS

THE SUMMIT meeting between the leaderships of Syria and Iraq is expected to end today with the announcement of "major political decisions" and a series of agreements covering bilateral relations.

President Hafez al-Assad and the leader of the Iraqi delegation, Mr. Saddam Hussein, vice-chairman of the revolutionary Command Council, held a private meeting yesterday to discuss essentially political issues while ministerial talks continued on a number of technical problems.

The two countries, which until

four months ago were among the most implacable enemies in the Arab world, have stated that their eventual goal is full union. Mr. Saddam Hussein said before leaving Baghdad that he would "accept nothing less than a comprehensive merger," but senior Syrian officials stress that their policy is "to hasten slowly" towards the eventual target.

Since the visit to Baghdad in October by President Assad, the signing of the "Charter for pan-Arab action" and the setting up of a joint Iraqi-Syrian higher political committee, the steps towards full reconciliation have been limited.

But spurred by the Camp David accords between Egypt and Israel and the belief in Damascus and Baghdad that President Sadat will sign a separate peace treaty, there is a clear desire here to demonstrate more tangible progress towards bolstering the eastern front and the effectiveness of Arab unity.

However, whatever is announced today it is still going to take some considerable time before the rift between the two opposing factions of the ruling Ba'ath parties, which is fundamental to the ten-year-old bitterness between the two countries, can be resolved.

Algiers meeting

ALGIERS—The official Algerian newspaper El-Moudjahid declared yesterday that the nation's future President, whoever he is, will "pursue the anti-imperialist and anti-reactionary policies" of the late President Houari Boumedienne.

But El-Moudjahid's front-page editorial also gave a hint that a minority in the Algerian leadership was not completely happy with Col. Benjedid Chadli, the man widely tipped as the next President.

Zambia crop threatened

BY MICHAEL HOLMAN IN LUSAKA

ZAMBIA WILL run out of home-grown maize by the end of the year unless rainfall improves within the next two to three weeks, according to Alexander Chikwanda, the agriculture minister.

As low rainfall persists in much of southern Africa it is becoming clear that Zambia faces its most serious food crisis since 1971 when the country was forced to import 1.5m bags of maize.

The minister said that the 5.6m bags harvested from the 1977-78 crop will provide the country's staple diet until July. Thereafter it will be consuming the current crop, which farmers fear could be 2.5m bags or lower.

With monthly consumption at half a million bags the country could be without home-grown maize by December, facing a four to five month gap before the next crop is harvested.

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AMERICAN NEWS

Support for Canadian banking restrictions

CANADA WOULD invite risk and uncertainty in its financial system by opening the door too widely to foreign banks according to Mr. Gerald Bouey, Governor of the Bank of Canada.

Mr. Bouey told the Senate Banking Committee that he welcomed increased competition from foreign banks as long as their growth was carefully limited by law.

Argentinian orders

Argentina will be placing more than \$4bn in orders with foreign concerns over the next three years as part of a \$20bn public investment programme.

Pope flies south

Hundreds of thousands of Indians from southern Mexico and northern Guatemala crowded around the city of Oaxaca yesterday to catch a glimpse of the Pope.

\$520m for Ecuador

Ecuador has obtained a \$520m 10-year loan from a syndicate of banks led by Bank of America International and the Citicorp.



U.S. Vice President Walter Mondale welcomes Chinese Vice President Deng Xiaoping after he arrived at Andrews air force base accompanied by his wife Mme Zhuo Lin.

AS DENG XIAOPING VISITS WASHINGTON

Chinese frozen assets pact hope

WASHINGTON—U.S. officials say they expect fairly rapid agreement on terms for resolving the frozen assets issue which is blocking full resumption of U.S. trade with China.

for normal banking and financial dealings. At issue is \$124m in claims by Boise-Cascade, International Telephone and Telegraph, Exxon and other businesses over property seized by the Chinese Government.

Congress begins hearings on wage insurance plan

BY DAVID BUCHAN IN WASHINGTON

MR MICHAEL BLUMENTHAL, the U.S. Treasury Secretary, yesterday asked Congress to play its part in "this critical point in the anti-inflation fight."

He was testifying before the House Ways and Means Committee, which began hearings on the plan—the only major tax proposal in the \$532bn 1979-80 budget—which would give workers settling within the President's 7 per cent pay guideline a tax rebate if inflation exceeds 7 per cent this year.

mittee has a recent record of maltreating Mr. Carter's tax proposals. Last year, it scrapped the President's tax plan and wrote a Bill of its own.

The Treasury Secretary urged Congress not to reject the plan out of hand simply because it was a novel way of tackling inflation.

market had firmed and gained substantially. There was, Mr. Blumenthal said, a braking system built into the cost of the real wage insurance scheme.

AFL-CIO affiliates merge

BY JOHN WYLES IN NEW YORK

THE NEW 1.2m-strong International Union of United Food and Commercial Workers will become the biggest affiliate of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) in a few months.

The new union will be formed by the merger announced at the weekend of the International Union of Retail Clerks and the Amalgamated Meat Cutters and Butcher Workmen.

progress the U.S. labour movement is making towards developing general unionism.

The U.S.'s largest union is the International Brotherhood of Teamsters, which has about 2m members. It was expelled from the AFL-CIO in 1957.

Some 31 of the 169 unions affiliated to the AFL-CIO have less than 20,000 members, and the federation has consistently encouraged mergers and amalgamations to improve efficiency.

organising and economic strength. However, there have been only 30 mergers among AFL-CIO affiliates since 1955.

The retail clerks and the meat cutters will have a greater combined presence in the food and supermarket industries as a result of the merger, which should be confirmed in June.

Mideast failure 'nobody's fault'

BY OUR WASHINGTON CORRESPONDENT

HIGH LEVEL tripartite talks between Egypt and Israel, with the U.S. present, will be needed to break the logjam in the Middle East negotiations.

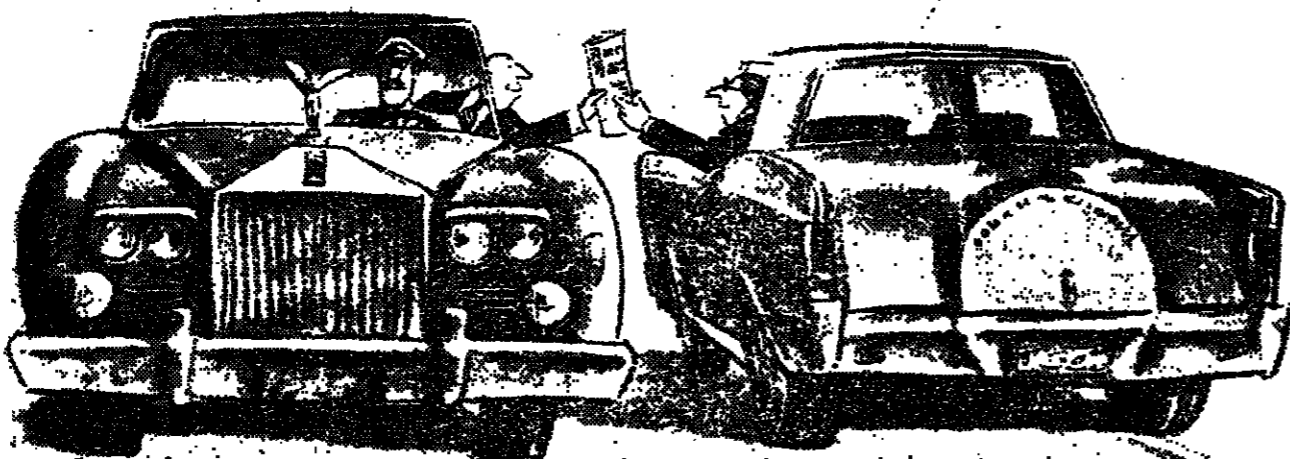
Mr. Atherton, who returned here on Sunday, spent 12 days in Cairo and Jerusalem trying to resolve some of the less contentious points in dispute.

While "useful clarifications" were obtained about both sides' positions concerning future reviews of the peace treaty's security provisions and the fulfilment of the proposed treaty to Egypt's obligations to its Arab neighbours, U.S. officials said it was obvious these issues could not be dealt with in isolation.

A decision on how next to proceed the U.S. Secretary of State, meeting Egyptian and Israeli Ministers, or possibly another Camp David summit meeting, by the heads of Government is unlikely to be made this week.

U.S. officials are not blaming either side for Mr. Atherton's failure to make significant progress. They point out that it was a mistake by the part of the U.S. to believe the stalled peace talks could be approached as anything but an overall package.

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Computer shipments 'to rise 15%'

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE COMPUTER industry is likely to remain the most expansive sector of the manufacturing economy in the U.S. both this year and over the next five years, according to a major U.S. Government survey.

The Commerce Department's 1979 U.S. industrial outlook, released here yesterday, projects growth rates for 200 manufacturing and service industries. For this year, it forecasts that about a quarter of the 155 manufacturing industries will achieve at least a 5 per cent growth in shipments.

The most vigorous single sector, the report predicts, will be metal-cutting machine tools.

with shipments due to rise by 20 per cent this year and by 8.8 per cent at a compound annual rate over the next five years.

However, the computer industry, whose shipments last year were worth more than \$15bn, or over seven times as much as metal-cutting machine tools, can expect 15 per cent growth this year and a 14 per cent annual average over the five-year period.

Most of the projected leaders for this year are in the medium to high technology field, though all are much smaller industries than computers.

tries can also look forward to healthy expansion, the report suggests, with aerospace up 9.9 per cent this year, a figure matched by telephone and telegraph equipment, electronic components (9.2 per cent), photographic equipment and supplies (9.3 per cent) and plastic materials and resins (8 per cent).

Declines, however, can be expected this year for cars (down 1.9 per cent), farm machinery and equipment (down 2.7 per cent), cement (down 3.8 per cent), and sawmills (down 2.4 per cent), while the large meat packing industry can anticipate no growth.

POLITICS IN BRAZIL

A break with the past

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL'S President-elect has said 1979 will be the "year of agriculture." It will also be the year of oil, with many of the country's offshore fields due to go into production, and a year of scrutiny for large-scale projects conceived in an era of cheap oil and grandiose national aspirations.

Above all, however, many Brazilians hope 1979 will be crucial in the move away from authoritarianism. President Ernesto Geisel, whose term began in 1974 and runs out on March 15, began his reform programme in mid-1978, having clipped the wings of ultra-Right military who favoured greater repression.

By dint of the reforms which took effect from last January 1, Draconian institutional Acts have been abolished and their essence watered down into a potentially-repressive National Security Act (which, however, grants Congress and the courts reasonable checks and balances). Banishment and the death penalty have been repealed, as has perpetual imprisonment or loss of rights for political crimes.

Even before 1978 ended, the changes in Brazil were noticeable. Half way through his tenure, President Geisel abolished authoritarian decision-making, but the birth of what President Geisel heralded as the "open debate of opinions" has been relatively painless.

Even the stifling censorship of television, Brazil's most popular medium, relaxed as the year waned. To the amazement of viewers, acid political com-

ward—to resuscitate the defunct Brazilian Labour Party, or attract labour support for a new group.

On the political front, the completely pro-government Arena party won the November 15 Congressional elections by less than 1 percentage point of the popular vote, and a 30-seat margin (through gerrymandered constituencies).

Arena was given no say in the preparation of the 1978-79 reforms: it was handed a fait accompli and instructed to ratify it in Congress.

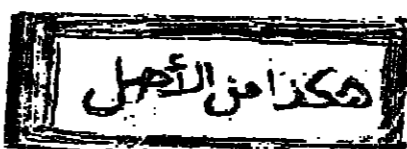
Such an approach has typified the Presidency of General Geisel, with Congress expected to consent rather than advise. With the advent of President Geisel's successor, General Joao Baptista Figueiredo, personal rule appears to be drawing to a close.

General Figueiredo, formerly head of the intelligence service, is as gregarious and self-admittedly fallible as General Geisel was remote and didactic. Having amazed onlookers with off-the-cuff remarks ("I prefer the smell of horses to that of the people," "I'll break anyone's nose for democracy"), General Figueiredo endeared himself by public "walkabouts" by vowing to help the "absolutely poor" (who not long ago were literally unmentionables); by offering the "hand of conciliation". He also says he will introduce elected politicians into his Cabinet—a departure from the closed circuit of military officers and technocrats that has made Brazil's decisions for the last 15 years.



General Joao Baptista Figueiredo

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Japanese trade with China increases to record level

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S EXPORTS to China grew by 57 per cent to a record level of \$3.05bn (£1.5bn) in 1978, the Japan Association for the Promotion of International Trade announced.

Coupled with a 31 per cent increase in China's exports to Japan (to \$2.03bn) these figures mean that two-way trade between Japan and China last year easily exceeded the previous peak level of \$3.8bn (recorded in 1975).

The growth of two way trade appears less impressive when stated in yen terms. On this basis Japan increased its sales to China by 13.4 per cent during the year and bought 12.4 per cent more Chinese goods in return.

Even in yen terms, however, Japan-China trade figures compare well with overall Japanese trade figures for 1978 which show a yen denominated decline in both exports and imports. The price exhibit amongst Japanese exports to China was a threefold increase in exports of industrial machinery (including complete plants). This reflects the coming into force last February of the long-term trade agreement under which China undertook to buy \$10bn of Japanese plant and construction materials over an eight-year period in return for increased Japanese purchases of Chinese coal and oil.

Plant contracts signed with China during the year numbered 24, including no-

fewer than five for large-sized ethylene plants (which will contribute to the raising of China's production capacity to an estimated 2.2m tons per year).

Shipments of machinery

TOKYO — Japan has agreed to buy 7.6m tonnes of crude oil from China this year at prices higher than last year, according to Japanese trade sources.

Agreement was reached in talks in Tokyo between Japanese oil traders and Chinese officials, they added. The price was set at \$13.73 per barrel for the January to March quarter after which the price will be fixed on a quarterly basis.

And in Tokyo, Hitachi says it has received a Chinese order for 80,000 colour television sets, more than eight times the total Japanese colour TV shipment to China last year.

under some of these contracts did not enter into the 1978 trade statistics. In some cases however contracts signed in 1978 were already resulting in machinery shipments by the end of the year.

Some \$20bn worth of machinery shipments was attributed to the start of work on the Shanghai 6m ton steel

complex for which Nippon Steel Corporation is the main contractor.

Although plant exports grew dramatically, steel continued to hold first place in Japan's exports to China. Shipments in the first 11 months of the year amounted to 4.47m tons valued at ¥245bn (\$1.23bn). This marked a modest value gain from 1977 levels (when Japan shipped 4.5m tons of steel valued at \$1,006bn in the full year).

China's steel imports from a number of European countries are understood to have grown rapidly last year, mainly because of price increases requested by Japanese exporters (reflecting the higher value of the yen).

A similar situation seems to have arisen in the chemical fertiliser industry where a sharp decline in the quantity of Japanese exports in the early part of 1978 was accompanied by price increases and by increased Chinese orders from Europe.

China's exports to Japan in 1978 included 8.6m kilolitres of crude oil (up from 7.67 kilolitres in 1977). China's oil exports to Japan have begun to rise as a result of the long-term trade agreement which commits Japan to buying 5m tons of crude by 1982.

Saudi assurance for U.S. on oil output

BY JAMES BUCHAN IN JEDDAH

SAUDI ARABIA will maintain oil production at the present levels of between 10m and 10.5m barrels a day at least for the time being, Saudi officials told the United States Commerce Secretary, Mrs. Juanita Kreps, in Riyadh over the weekend.

Speaking to the Jeddah newspaper Arab News, Mrs. Kreps said that the officials had assured her that present levels—well over Saudi Arabia's annual average limit of 8.5m barrels a day—would be maintained "for some time."

On Sunday evening Mrs. Kreps delivered a message from President Carter to Crown Prince Fahd in Jeddah, referring to "the increase in production Saudi Arabia is taking on in the face of the complete shutdown in exports from Iran. Earlier Mrs. Kreps flew over the oilfields and received a briefing on production from officials of Aramco, which lifts all but a fraction of Saudi crude.

The increase in Saudi output, which is making good about half the loss in Iranian crude, is crucial to Western consumers if exports from Iran are not resumed.

As this appears unlikely for the present—and for technical reasons any return to the pre-strike levels of over 5m b/d will take some time—higher Saudi output may provide the major buffer for Western consumers after the last tanker shipments

from Iran arrive and national crude stocks are drawn down to their acceptable limits.

However, the Saudi production policy is understood to be considerably more flexible than the 8.5m b/d limit would suggest—especially since an attempt to keep within the annual average would entail large cut-backs later in the year and after one or two quarterly price increases. Rumours here that Saudi Arabia might introduce a quarterly average to cope with the Iranian shortage have not been confirmed.

While Mrs. Kreps may have had little difficulty in encouraging Saudi Arabia to keep production levels up, she appears to have had less success in attempts to ease problems for American businessmen arising from tough Saudi immigration and contracting policy.

She reported no progress in attempting to persuade Saudi officials to relax the 10 per cent performance bond contractors must post, which is particularly hard on U.S. companies which lack access to state contract insurance facilities.

Mrs. Kreps pointed out to the Finance Minister the advantages of the U.S. surety bonding system while her Government would look into steps to "ease the financial burden" of the bank guarantees required for the bonds.

French to press on with Iran reactors

By David White in Paris

A FRENCH consortium is going ahead with work already started on two Iranian nuclear reactors in spite of a statement by Dr. Shapur Bakhtiar, Iran's Prime Minister, indicating that the contract would be cancelled.

Creusot-Loire, parent company of France's sole supplier of nuclear reactors, Framatome, said yesterday that civil engineering work was continuing on the Kahn River site, in compliance with a contract signed in late 1977 and worth a total of over \$3bn, including fuel supplies. It has received no official notice of cancellation.

Such cancellation would be a heavy blow to the company, since it represents France's only firm export contract for reactors. The prospect of selling four bigger 1,300 MW reactors to the Iranians in a part-barter deal in exchange for oil has had to be shelved more or less indefinitely because of the Iranian crisis.

Dr. Bakhtiar said in an interview at the weekend that Iran was cancelling its nuclear contracts, barring those for two reactors being built by West Germany, work on which is already well advanced.

Portugal's exports show rise of 20%

BY JIMMY BURNS IN LISBON

PORTUGAL ENDED 1978 with a slightly improved trade position, thanks to an exceptionally strong export performance.

According to unpublished figures prepared by the Bank of Portugal, imports last year increased by 6 per cent to \$4.8bn while exports increased by 20 per cent to \$2.4bn. There was a 0.4 per cent drop in the overall trade deficit.

The deficit was offset by a substantial increase in invisible earnings, which included a 22 per cent increase to \$1.5bn in immigrant remittances, as well as a 18 per cent increase in tourist receipts.

Oil and foodstuffs continued to be the main items affecting Portugal's adverse terms of trade.

More striking are figures for the current account deficit which has been reduced to \$920m, a considerable improvement on 1977 when the deficit was \$1.5bn. The reduction in the current account is well in line with the deficit target of \$1bn originally set by the International Monetary Fund last year.

Although further figures are yet to be released, the Bank of Portugal yesterday confirmed that the improvement in the current account had caused a "substantial increase" in Portugal's foreign reserves.

Swiss narrow the gap

BY JOHN WICKS IN ZURICH

THE SWISS trade gap narrowed last year from SwFr 867.6m to SwFr 550.4m. Apart from the exceptional conditions prevailing in 1976, when Switzerland booked a trade surplus of SwFr 173.5m, the 1978 result is the smallest deficit in the foreign trade balance since 1954.

The small gap is largely the result of a sharp drop in import prices due to the appreciation of the Swiss franc. This meant that imports declined over 7.3 per cent from SwFr 43.02bn to SwFr 42.3bn and exports fell rapidly from SwFr 42.15bn to SwFr 41.78bn. In real terms, imports actually expanded by 9.8 per cent and exports by some 4.9 per cent.

Despite the rise in the Swiss franc exchange rate, Switzerland was able to increase its exports to the UK by as much as 19.5 per cent last year to SwFr 2,377m. At the same time, British deliveries to the Swiss market improved by only 7.3 per cent to SwFr 3,377m.

S. American orders worth £50m won by Ericsson

BY JOHN LLOYD

ORDERS TOTALLING more than £50m have been announced by L. M. Ericsson, the Swedish telecommunications manufacturer, for a number of customers in Latin America.

The orders include contracts for crossbar exchanges from the Venezuelan telecommunications authority, CANTV, worth £25m.

In Colombia, three customers have placed orders worth a total of £24m. The major order is for a number of AXE computer-controlled exchanges

for the administrations in Bogota and Cali.

In addition, Panama has placed firm orders for three further AXE computer-controlled exchanges, while substantial orders have also been received for exchanges from Ecuador and Bolivia.

Ericsson says the orders "confirmed the company's leading position in this market area." However, it is an area where it finds itself under increasing pressure from International Telephone and Telegraph (ITT).

Swedish pulp output up

BY WILLIAM DUFFORCE IN STOCKHOLM

SWEDISH production of market pulp increased by about 14 per cent to 3.5m tonnes last year while deliveries climbed by 18 per cent to 4.4m tonnes, a producer stocks were run down, according to the preliminary estimates of the Pulp and Paper Association. However, deliveries in 1978 were still more than 500,000 tonnes lower than those of the peak year, 1974.

The increase came almost entirely in exports, although Swedish pulp manufacturers still have a lower share of the European market than they had during the first half of the 1970s.

The reduction of stocks has been aided by a rise in business with Japan and Swedish mills are looking for more permanent links with countries outside Europe.

A greater geographical spread for pulp deliveries has become an urgent matter for Swedish mills because of the increased weight of Canadian suppliers on the European market, the association notes.

Shipments of Swedish paper and paperboard products abroad rose by 18 per cent to 4.5m tonnes during 1978. Production totalled 5.7m tonnes, exceeding the 1974 level.

Buy-back deals criticised

BY SUE CAMERON

EUROPEAN chemical trades unions have endorsed a British call for the Common Market Commission to investigate compensation trading deals between Western companies and Communist countries.

The proposal came from the UK General and Municipal Workers' Union and was backed by the Trade Union Committee for the Chemical Industry in the European Economic Community at a meeting in Brussels last week.

The committee agreed to undertake studies of compensation trading deals—under which Western companies provide the technology to build new plants in Eastern Europe and are paid with product—in all Common Market countries.

Mr. David Warburton, national chemicals officer of the GMWU, told the committee that deals of this type could pose a real threat to jobs in Western Europe. He added that the threat "should not be exaggerated" but said problems did exist and should be identified—particularly in the plastics sector.

SINGAPORE PETROCHEMICALS

£500m project now likely to go ahead

BY PHILIP SOWRING IN SINGAPORE

AFTER FIVE years of delays, Singapore's planned \$1bn (£500m) integrated petrochemical complex now seems almost certain to go ahead in the near future.

Mr. Norishige Hasegawa, head chairman of Sumitomo Chemical Company which is heading the project consortium, said that the plant should now definitely come on stream in 1982.

He added that Sumitomo had now lined up partners to invest in the downstream facilities which would use the plant's eventual planned annual output of 300,000 tons of ethylene and 165,000 tons of propylene a year.

Mr. Hasegawa attributed the decision to give the green light to the project partly to the situation in Iran. Delays to Iranian projects caused by political disturbances, together with the high cost of construction in Iran, now indicated that the Singapore plant would have a sufficient market from 1982.

Though it would not export to Japan, the Singapore facility would fulfil demand in Asian,

Australian and perhaps the China market. At the present these are largely being supplied from Japan, but Japan would not have sufficient domestic capacity to fulfil this demand from 1982.

Though a large part of the equipment for the plant will be imported, construction of it will bring a boost to the Singapore economy at a time when work on the new \$1bn Changi airport here is winding down.

Ultimately the plant will generate only a fairly small amount of employment in Singapore. But it has become a symbol of continuing investor faith in Singapore and in its petrochemical industry in the face of the efforts of oil producing nations, and heavy petrochemical users, to locate plants either near source of supply or markets.

The Singapore Government, through the Petrochemical Corporation of Singapore has a 50 per cent stake in the company which will own the naphtha cracker and upstream facilities.

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April meeting will decide scope of Belvoir inquiry

BY JOHN LLOYD

A PUBLIC inquiry is to be held on the National Coal Board's largest project for the future—the development of the Vale of Belvoir coalfield in Leicestershire.

The inquiry, announced last week by Mr. Peter Shore, the Environment Secretary, will be required to evaluate the need for the coal which the three mines proposed for the Vale would produce.

It will thus call into question, for the first time, the expansion plans agreed between Coal Board, Government and mining unions and now running at an annual investment rate of £500m.

The inquiry, which will open in October, will be preceded by a preliminary meeting in April, at which requests to expand the scope of the inquiry will be considered.

The Coal Board first announced that it had proved at least 500m tonnes of recoverable reserves of coal beneath 90 square miles in north-east Leicestershire.

It is certain that this argument, which is much more worrying to the coal board than localised, environmental issues, will be extensively debated at the inquiry.

Opposition to the coal board's plans has been both highly vocal and well organised, much of it based on residents' groups within the Vale itself.

Mr. Gerald Manners, a reader in Geography at University College London, has worked closely with these groups and has argued strongly that the coal board's national strategy is based on over-optimistic assumptions on both production and demand.

It is certain that this argument, which is much more worrying to the coal board than localised, environmental issues, will be extensively debated at the inquiry.

The appointments follow the decision late last year by the Government to give Airbus Industrie, with a 26 per cent financial stake in the organisation, to help develop airliners for the 1980s.

Lord Beswick joins Airbus group Board

LORD BESWICK, chairman of British Aerospace, has joined the supervisory board of Airbus Industrie, the European group which builds the 250-seat A-300 Airbus and is now also developing the smaller 200-seat A-310.

Three other British Aerospace executives are also joining the Airbus Industrie board. They are Sir Peter Fletcher, director of corporate strategy and planning; Mr. J. L. Thorne, managing director (civil) of British Aerospace; and Mr. R. H. Sawyer, finance director of the Aircraft Group of British Aerospace.

The appointments follow the decision late last year by the Government to give Airbus Industrie, with a 26 per cent financial stake in the organisation, to help develop airliners for the 1980s.

UK and Malaysia plan talks on air agreement

TALKS on a new UK-Malaysian air services agreement begin on February 5 in Kuala Lumpur.

Building society chief speaks of interest fear

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

RISING INTEREST rates throughout the economy could only increase pressure on building societies to maintain their competitive edge over other savings institutions.

The societies clearly have a fairly stark choice confronting them within the next two or three months.

Receipts in coming weeks are unlikely to reach even January's disappointing level, since this week's attractive new issue of National Savings Certificates will impair inflow, and the societies' liquidity levels seem certain to fall further.

With average liquidity down to about 17 per cent of assets, societies can be expected to resist any temptation to reduce that figure by more than another 1 per cent, widely regarded as the base point for liquid funds.

When that position is reached, the societies will have to contemplate a big reduction in mortgage lending (in some cases already happening) planned at £700m a month in the first quarter of 1979.

The alternative would be a further increase in interest rates and the pressure for such action would be raised if another substantial increase in Minimum Lending Rate were announced within the next week or two.

Much might depend on the attitude of the Government, which might veto higher building-society rates but which would find it difficult to justify such a policy if interest rates throughout the economy rose sharply.

Most societies still hope that conditions will improve by the middle of the year and that meanwhile, sufficient funds will come in to stave off any big crisis.

Last year, the assets of the Abbey National rose by 15 per cent to £64bn, compared with a 24 per cent growth rate in the previous 12 months. The society made nearly 126,000 new loans, accounting for £1,420m, and recorded a £35m surplus after tax.

That brought reserves to £235m, or 3.76 per cent of total assets.

Contract for new anti-tank weapon

By Michael Donne, Defence Correspondent

HUNTING Engineering has been awarded a contract by the Ministry of Defence to develop a new light anti-tank weapon for use by the Army in the early 1980s.

The cost of the programme is not disclosed, but is not likely to be less than several million pounds, and is thought likely to have considerable export prospects.

Discarded

Designed specifically for use against the new generation of tanks likely to be employed in the 1980s and beyond, the new weapon, known as present as LAW (Light Anti-Tank Weapon), is intended to be a simple to use, cheap to produce, "throw-away" weapon — the launcher being discarded after firing.

It is the result of a long period of research by the Royal Armament Research and Development Establishment, and is considered a major improvement on other light anti-tank weapons, including the American M-72.

Interest

Associated with Hunting Engineering in the programme will be Rank Optics, and various Ministry of Defence Royal Ordnance Factories and defence research and development establishments.

Widespread interest in the new weapon has been shown by many NATO armies, to whom it has already been demonstrated in prototype form, and some of them are expected to adopt it as their next-generation anti-tank weapon.

Navy order for ships worth £60m

The ROYAL NAVY yesterday placed orders worth £60m for three anti-mine ships with British Shipbuilders.

Organics industry trade deficit drops faster than expected

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE UK'S specialised organics industry is expected to achieve an imports and exports trade balance several years sooner than originally forecast.

A report published today by the specialised organics sector working party—set up as part of the Government's industrial strategy—shows that the industry's trading deficit has been falling steadily and dramatically since 1976.

The report, which will go before the next meeting of the National Economic Development Council in February, calls for the setting up of a market information service to help small and medium sized companies in the sector to identify export and import-substitution opportunities more easily.

The report also calls for the National Economic Development Office to help organise export missions to South Korea, Taiwan and some of the Comecon countries.

The report also shows that UK exports of specialised organics—intermediate chemicals used chiefly in the production of pharmaceuticals, agrochemicals, dyestuffs and organic pigments—are growing considerably faster than those of West Germany.

Counties to step up fight against council changes

THE GOVERNMENT'S White Paper proposals for wide change in local authority powers might cost millions, the Association of County Councils said yesterday.

New Towns talks called

FINANCIAL TIMES REPORTER

Reclamation company challenges council

By Lisa Wood

THE MANAGING director of a London reclamation company yesterday asked Southwark council why it paid a demolition contractor £27,390 to demolish sheds in London's docklands when he was prepared to pay £25,115 to buy and dismantle them.

Warehouses

The contract involved large disused warehouses in Albion Dock, part of Surrey Docks, the sites of which are being filled in by Mr. Kavanagh's company.

Road plan

Mr. Sam Evans, Southwark council's chief executive officer, said in evidence yesterday that while Mr. Kavanagh's offer was sensible, it was refused because of the need to clear the site quickly.

University given oil rig model

A MODEL of a North Sea oil production platform has been presented to Glasgow University's naval architecture and ocean engineering department by Shell UK.

More cash for museums urged

AN EXTRA £6m a year for the country's museums is recommended by a working party of the Standing Commission on Museums and Galleries.

Tories form link with trade organisations

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CONSERVATIVE Party has made its first formal link with organisations representing a wide range of industries, by the creation of a Private Enterprise Consultative Council.

Belfast car factory contract awarded

BY OUR BELFAST CORRESPONDENT

TWO Ulster construction companies have been awarded a contract to build a sports car factory in Belfast by Mr. John De Lorean, a former General Motors executive.

Northern Ireland homes offered at a discount

BY PAUL TAYLOR

THE NORTHERN Ireland Housing Executive is to offer 54,000 council tenants the chance to buy their homes at a discount.

Europe link for retailers

BY COLLEEN TOOMEY

THE RETAIL Consortium, which represents more than 90 per cent of Britain's retailers, cemented its European links yesterday with the appointment of its first full-time European executive.

Savings stamps launched to help pay phone bills

BY JOHN LLOYD

SAVINGS STAMPS to help people to budget for telephone bills went on sale at Post Offices yesterday.

U.S. rated top location

BY DAVID FREUD

BIG EUROPEAN companies regard the U.S. as by far the most attractive country for a business according to a survey published in the UK magazine, The Annual Investment File.

U.S. rated top location

runner-up, West Germany, was a long way behind with 6.2 per cent.

U.S. rated top location

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U.S. rated top location

U.S. rated top location

U.S. rated top location

Crucial meeting on BL specialist companies' future

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MANAGEMENT'S recommendation on the future of Avon, Barford and Prestcold, the remaining companies in BL's specialist engineering division, will be made at a meeting this week between the senior managers from BL, SP Industries and the two companies.

The future of the companies has been under review for the past month following the transfer of the rest of the companies in SP Industries to Leyland Vehicles.

Options that have been considered, include selling the companies to outside buyers. As the second largest British-owned company in the construction equipment industry, Avon Barford has attracted a lot of interest. But there have been no discussions on prices, because the review team wants to wait until the decision on its future is made.

Collaboration with another company in the industry, either British or foreign-owned is another possibility.

This week's outcome will be discussed by the National Enterprise Board. Consultations with the unions will also be held, although Avon Barford shop stewards have had informal discussions with the review team.

The need for a revised policy is emphasised by the worsening financial situation of the two companies which is particularly acute at Avon Barford.

Losses for the whole of 1978 are expected to be £3.5m (in 1977 the company made a profit of £3m before tax and interest), while Prestcold's profit of around £500,000 was less than a third of its budgeted profit for 1978. Prestcold suffered a long strike at its Glasgow plant last year, but it is believed to be in a healthier state at present.

Mainly as a result of the loss at Avon Barford, and Prestcold's shortfall, SP Industries is believed to have finished 1978 with a small loss. In 1977, the division made a profit of £12.1m, a useful contribution to the troubled BL parent company.

Coventry Climax, which was moved into Leyland Vehicles with Alvis and Self-Changing Gears towards the end of last year, ended the year with a profit of around £4.5m before tax and interest.

Favourably, it will be seen that the review team has seen favourably considering that this company also suffered a long strike during 1978.

Sanctions trial acquittals

MORE ACQUITTALS have been directed by the judge in the Rhodesian sanction-breaking trial involving two subsidiaries of Lucas Industries, the electronics group.

The case against Lucas Service Overseas of Haddenham, Bucks., and CAV, of Acton, London, is now in its fourth week at Aylesbury crown court.

The prosecution alleged the illegal export of motor vehicle spares to Rhodesia in 1975 and 1976.

Yesterday, CAV and its exports accounts manager, Mr. John Maund, aged 52, were cleared of the three charges alleging that they agreed to supply goods knowing or having reasonable cause to believe that they would go to Rhodesia.

Judge Lawrence Verney, also directed the jury to bring in not guilty verdicts on four similar charges against Lucas and five against Mr. David West, aged 49, former manager of African Affairs, for Lucas.

The trial is continuing on nine remaining charges against Lucas and four concerning Mr. West. They both deny all charges.

CAV and Mr. Maund were awarded costs and their acquittal follows a similar decision, last week, by the judge concerning Mr. Thomas Lock, aged 46, a director of Lucas.

Way ahead for clothing industry

BY RHYS DAVID

THE UK clothing industry is poised to become one of the strongest in Europe, but much remains to be done for that to come about, a report by the industry's economic development committee says today.

The report says that productivity in the industry has been better than that of manufacturing as a whole since 1973, and that exports, which have shown an 85 per cent increase in real terms in the past 2½ years, are in line with the industry's objective of £1bn overseas sales by 1980. The industry's efforts to stem penetration of the home market by imports have been helped by the new EEC/GATT Multi Fibre Arrangement bilateral agreements.

The committee warns, however, that despite the achievements of the past few years the industry has to overcome major problems to secure its objectives. There remains a significant potential for improving productivity and performance to the highest international standards. Because of strong price competition and its effect on margins the industry has experienced difficulties in paying competitive wages, which has resulted in continued loss of skilled labour. There is also a shortage of management and professional staff in production, design and marketing.

The Economic Development Committee is concerned at the growth in imports from advanced countries which last year reduced the UK's surplus in this

trade for the first time since 1975. There was also a disturbing slackening of export growth in 1978, a year when the home market was buoyant, following the doubling of overseas sales in the two years to 1977.

The Committee nevertheless retains as its objectives: an increase in exports to more than £1bn by 1980; imports in 1980 to be no more than 11 per cent higher than in 1978 in real terms; output at least 8 per cent higher in 1980 than in mid-1978 in real terms; and employment at least as high in 1980 as in mid-1978.

The report says that there will be opportunities for the UK industry to achieve a constant or increasing share of a growing UK market. The industry should consider a steady movement to better quality goods and should seek to supply outlets which are expanding or are likely to expand fastest, such as variety chains, multiple speciality stores, grocery superstores, or mail order firms.

The main area of opportunity, given the UK's advantage as a low-cost manufacturing base, should be in overseas markets, especially West Germany and the Benelux countries. Manufacturers should choose the most favourable outlets, which may not be the same as in the UK.

As evidence of the opportunities, the report says that the UK sold 9.2 per cent of all clothing exported from OECD countries in 1976 but only accounted for 5.3 per cent of imports to the top six markets, which purchased nearly 60 per cent of all OECD exports.

Greater exposure in overseas markets would tend to sharpen a company's product range and its competitiveness in the UK market. Selling in faster growing overseas markets is an integral part of a policy to take a greater share of the UK market and to increase production.

The report says the most important requirements for the industry are: improved management and marketing; achieving the improvements in productivity known to be possible; and the effectiveness of the MFA bilateral and their continuation beyond 1981, when the present agreement expires.

The Government is urged to ensure that an effective mechanism for monitoring imports is maintained to ensure that quotas are adhered to and that there is effective global control to prevent cumulative disruption.

The report says the committee's work programme for 1979 will concentrate on preventing further growth of imports from advanced countries, and achieving export growth. The programme will also include a project on the employment problems of the industry.

Clothing Industry EDC report, Nedo Books, 1 Steel House, 11 Tothill Street, SW1H 9LJ — free.

referendum on March 1 so that a Scottish Assembly could introduce tough measures to limit the buying of land by outsiders.

If the SNP was in power, it would set up a Land Commission to carry out a land capability survey and introduce legislation to prohibit the future purchase of land for agriculture or forestry by people who were not resident in Scotland or institutions that did not have at least 80 per cent of their share capital in Scotland.

Mr. Patrick Milne Home told a meeting of the Royal Institution of Chartered Surveyors in Edinburgh yesterday that top quality arable farmland in the Scotland might cost as much as £3,000 an acre this year. But prices were far below those in Europe, particularly Holland and West Germany, where land could cost up to £6,000 an acre.

SNP irked by foreign land buyers

BY RAY PERMAN, SCOTTISH CORRESPONDENT

ONE MILLION acres of land in Scotland has been bought by foreign interests in the past two years, the Scottish National Party said yesterday.

Mr. Hamish Watt, MP for Bonin, said in Glasgow that the movement of overseas investors and of financial institutions into the land market was forcing the price of prime agricultural land beyond the means of most Scottish farmers.

If that went on young farmers would be unable to compete, rural areas would suffer decline as estates were taken over by absentee landlords and ultimately the population would drift away.

The only way to avoid that disaster was for Scots to vote in favour of devolution in the

National Trust help for farms

THE NATIONAL TRUST is to help Lake District farming by promoting more use of hand-knitting yarn spun from lake-land fleeces.

Three years ago it produced the first knitting pattern using wool from the lakeland's Herdwick sheep. Now it has produced two more pattern leaflets which show how to knit outer garments using a mixture of Herdwick and Swaledale. The National Trust owns 71 fell farms in Cumbria, which have 18,000 sheep.

Car dealers' profits rise 50% in 3 years

FINANCIAL TIMES REPORTER

AN ANALYSIS of the financial performance of 60 leading UK car dealers in the three-year period ending April 1978 showed that profit margins improved by 50 per cent, but were still comparatively low at an average of 8 per cent.

ICC Business Ratios, which compiled the analysis, said: "Even in prosperous times for the industry, margins are small and in line with other retail businesses."

The period under review was notable for a strong recovery in the car trade. Volume, prices and margins were all on a strong upward trend, so that profits increased substantially from the depressed levels of 1975.

Sales of the companies in the report rose by 56.5 per cent over the three years. Profits rose by 128.5 per cent.

The overall return on capital employed recovered from 8.8 per cent in 1975-76 to 14.3 per cent. This is still fairly low for an industry which has made a strong recovery.

The report points out that prices for both new and used vehicles have been increasing faster than the retail price index.

BL prices went up 20 per cent between 1975 and 1976, another 24 per cent the following year, and 11 per cent from mid-1977 to mid-1978.

Over the same years, Ford prices increased by 19 per cent, 23 per cent and 12 per cent respectively, while the price index advanced only 17 per cent, 16 per cent and 8 per cent.

But inflation now seemed to be slowing down, and prices were rising in-line with the index.

Profits would probably increase, but the recent rise in interest rates might discourage purchases since hire purchase was an important method of financing the trade.

"For the car dealers, diversification into allied business such as car rental, manufacture of accessories, specialist retailing such as tyres, and extension of repair and maintenance, will become more important profit elements in the event of any downturn beginning about the middle of 1979."

Car Dealers, 1978: ICC Business Ratios, 81 City Road, London EC1Y 1BD; 244.

Subaru will hold car prices steady until March

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SUBARU UK, the most recently established Japanese car importer in Britain, is to hold the prices of its cars and four-wheel-drive models steady at least until March. Price changes occurred previously last June.

But the company, which is linked with the group that bought the rump of the old Jensen cars business after its financial collapse, is still waiting to hear from Fuji Heavy Industries, makers of Subaru cars, about its car allocation for this year.

Last year, its first full year of operation, it received 2,000 vehicles and hopes for 5,000 this year.

Mr. Bob Edmiston, managing director, said at the weekend: "We are able to hold prices on existing models as a result of sterling maintaining its value against the yen. But we shall be reviewing the situation again in March."

The move has much in common with Datsun's decision at the end of last year to hold prices for three months. Like Datsun at that time, Subaru is short of stock. It is quoting a two-month wait for its popular four-wheel-drive estate vehicle. It sold 624 last year and in the first 20 days of January sales were double those in the same period last year.

The Subaru GFT model, at the top of the range, will go up in price by 6 per cent, from £2,289 to £2,428, because the specification has been improved. The company says it has new protective mouldings to enhance its sporty appearance, and front-seat headroom has been increased by 20 mm.

W. Midlands plan to halt decline

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AN INITIATIVE to unite industry and local authorities in a campaign to halt the economic decline of the West Midlands has been taken by the region's Economic Planning Council.

The council has recommended the formation of a West Midlands Industrial and Employment Development Association to promote and lobby for the area.

The regions which get the most serious hearing from Government are those which show a united front on regional policy and needs, the council claims in a document sent to local authorities, the CBI, TUC and Chambers of Commerce.

The council is worried at the poor performance of the local economy. It said: "By and large, the industrial sectors which dominate West Midlands industry are in trouble. Several—including machine tools, engineering, jewellery and aircraft—employ about one-third fewer people than they did only a decade ago."

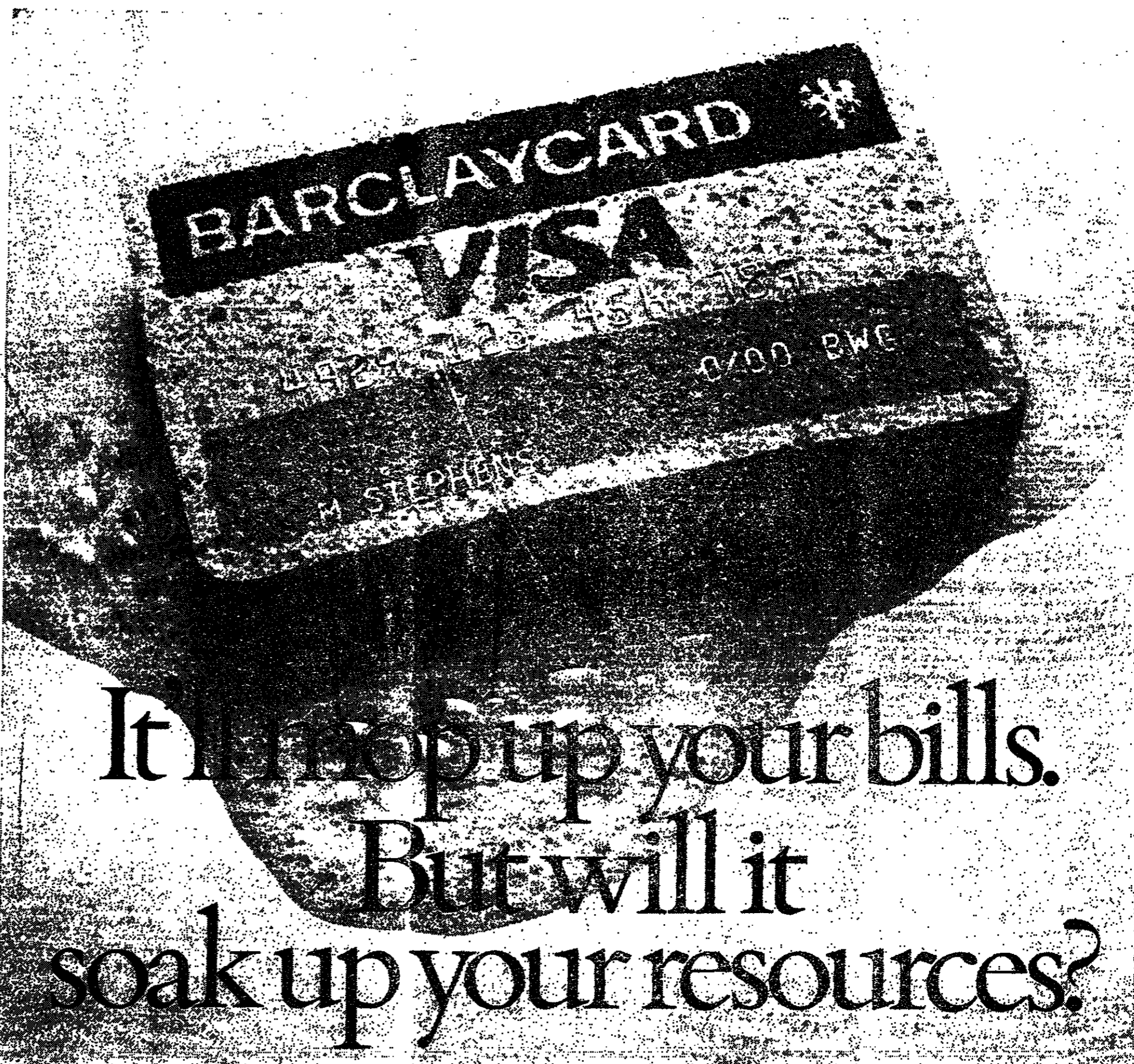
The motor assembly and component industries, employing up to 250,000 people in the region, faced increasing foreign competition.

The council went on: "To complete the picture of a vulnerable regional economy we know that the West Midlands has been slipping in the productivity, earnings and personal income leagues."

The council calls for the development association to promote the region as a unit.

The association would not just seek to attract inward investment but would also help generate growth of indigenous industry.

The new association would not replace but supplement the work of existing promotional bodies. The planning council has offered to take on preliminary secretarial work for the association, but says early support from other organisations would be essential and the body would need a permanent staff and a governing structure.



It mops up your bills. But will it soak up your resources?

Most people agree that Barclaycard is a very neat way of wiping the slate clean. For expenses like restaurants, hotels, petrol, servicing the car, and department store shopping, the little blue, white and gold card is very convenient.

Instead of fiddling around with cash or lots of cheques just sign on the line. It's as easy as that. Unfortunately it's the very simplicity of using Barclaycard that worries people, too. They feel that quite apart from their regular purchases, it would be all too easy to sign away for anything that takes their fancy. And suddenly the card that seemed to be so useful for mopping up bills has cleaned out their savings.

A perfectly understandable worry. So we'd like to spend a few paragraphs to reassure you. To show you that, far from depleting your resources, your Barclaycard can actually help you increase them.

First, we don't ask you to pay for your

purchases for at least three weeks and it could be as long as eight. Repay in full, and you'll pay no interest.

So if you time it right, we'll give you an interest-free loan for up to eight weeks.

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Thirdly, your Barclaycard can save money if you use it for extended credit.

For example, at sale times you can buy lots of money-saving bargains even if you're temporarily broke. Things that would cost more if you waited until you were flush.

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And when you're buying clothes, your Barclaycard enables you to spend a little more and buy better quality goods which will last longer and be greater value.

Or if you want your car serviced, you can

get it done when necessary, rather than when the car starts to fall apart.

Used in these ways, your Barclaycard becomes a real investment.

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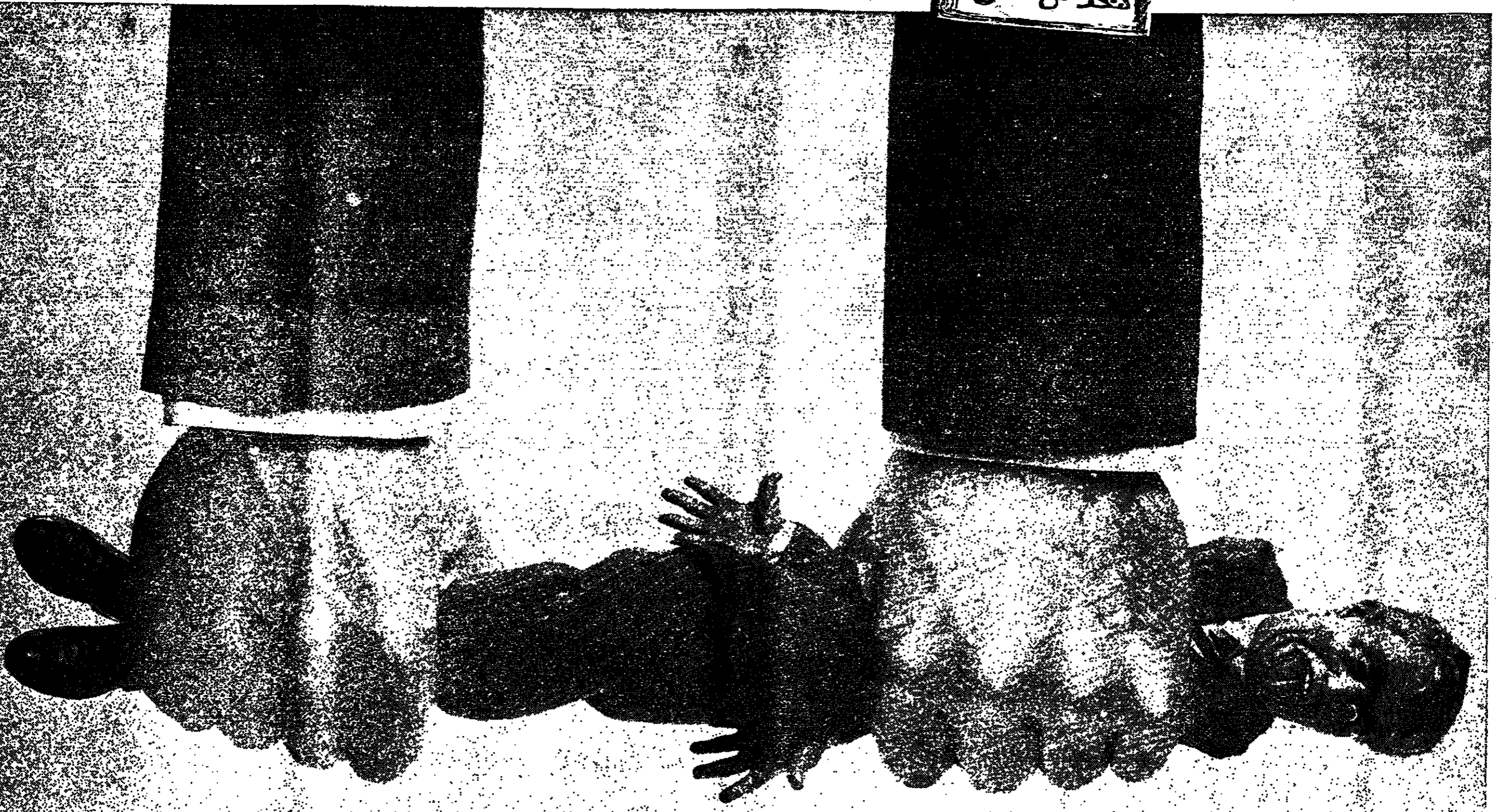
Of course, a little common sense is called for, too. But then we believe you've got that. Otherwise you wouldn't be worrying in the first place.

Used sensibly, your Barclaycard is a most efficient way to handle your finances. It'll keep you in the black and you shouldn't have to sponge off anyone.

For further information about Barclaycard, call at any branch of Barclays Bank or in Scotland any branch of the Bank of Scotland.

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Is it really the taxman who is squeezing the life out of your company?

As calmly as you can, consider the 52% which the taxman takes out of your company's profits.

Now, just as calmly, consider this:

The average industrial company spends the same amount on its storage and materials handling.

The difference is that you can actually do something to reduce it.

For a survey by the Department of Industry showed that every company was paying more than it need.

Which helps to explain the savings made by these four companies who called in Dexion to look at the problem.

1. Storage rental down nearly £20,000 a year. Storage capacity up 30%. Stock damage down 30%. Payback, 9 to 12 months.

2. Storage rental down £12,000 a year. Payback, 7 months.

3. Storage capacity up 30%, worth £10,000. Picking times down 50%. Payback, 12 months.

4. Storage capacity up 20%. Stockholding levels down 15%. Labour costs down £10,000. Payback, 12 to 18 months.

You can read how they did it by sending for our 'Book of 100 Answers', which describes 100 of our case histories in detail.

And we can tell you how your own storage and materials handling system can be improved, whether yours is a large company or a small one.

Of course, we're not entirely disinterested in all this.

For we make and sell a wider range of storage equipment than any other company in the world.

But we won't recommend any of it unless it provides the best solution.

And even if the taxman takes what he regards as his share, there's still more profit for you.



We'll help you make money out of thin air.

THE JOBS COLUMN

Offers of money, ideas, skills and work

BY MICHAEL DIXON

"I HAVE GOT about £500,000 that I want to invest in small companies, so can you help me?" The question was asked the other day by a top executive from the European headquarters of a major multi-national, who now wants to work on his own account. And the person whom he was asking was Michael Bretherton.

The approach was the latest result of my announcement eight long weeks ago that Mr. Bretherton, who runs the executive development services of Right Match International in London, had volunteered to join the Jobs Column in an experiment.

"This was to test the demand for a private-enterprise type of clearing house to bring together people with currently unemployed assets, whether they be money, ideas for products or services, managerial or other work skills, or whatever."

Inevitably, the proposal was also a test of my faith, if not Mr. Bretherton's, that this column's readership included a useful nucleus of people actively interested in contributing to spontaneous enterprise.

To be honest: perhaps because daily newspaper journalism conditions are to be voraciously impatient, I was somewhat disappointed with the early response to the scheme. Although separate checks suggested that

the article had been read extensively, people seemed slow to identify themselves to Michael Bretherton as potential resources of one kind or another. But as time has gone by I have become more cheerful. Take for instance the prospective investor of £500,000. He apparently read the proposal, which appeared on December 5, while he was in Kuwait. He then waited until he returned before responding. In another case response was delayed by procedural requirements—the case of a Dutch local authority interested in commercial ideas which could be developed so as to create productive jobs for people in its area.

As I write, we have a stock of rather more than 30 people or organisations wanting to take part in the experimental "resource-exchange."

In addition, three of the young team of designers and developers have been offered industrial scholarships by United Kingdom groups, and a fourth offer seems probable.

The other four inventors are older people. Two of them are professionals who definitely share the impression, widespread among those who have responded, that society looks on new business development as something to be actively discouraged. Frustration is probably too weak a word for the feelings of those who, keen to get to work on some small-scale business activity, find that their energies are being drained by bureaucratic paper-pushing and nit-picking, let alone by financial disincentives.

The other pair of inventors are amateurs whose interest in the resource-exchange springs not least from what they see as a current lack of any facility for discussing their ideas with experts in commercial development. Some readily available means of providing such feedback to often effectively isolated inventors would surely be of great potential value.

Among them, the quartet of inventive individuals are putting forward more than 1,000 possibilities of new products. These include a puncture-proof tyre; an electric oil pressure, compressor heater; an electric oil flash steam engine; a bicycle

dynamo set with continuous lighting; a metal fabrication pneumatic component assembly; and a plastic injection moulding screen printing assembly.

The potential backers, besides the top European executive whom I mentioned earlier, range from a section of the Midland Bank down to individuals with around £30,000 to invest. In some instances, these smaller would-be backers are executives who have been reorganised out of their job and want to invest their managerial skills in conjunction with their money. A backer of another kind is Martin Gilbert, owner of a company in Devon, who is offering space and services in his factory.

for people setting up in business for themselves.

So what comes next? Well, Michael Bretherton and I have just agreed that the results of the experiment so far are sufficient to suggest that there is a potentially useful role for a resource-exchange. So we are going to continue the project into a second stage.

He is currently putting the resources which have already come to market, in touch with one another, and will keep an eye on anything that develops from the contacts. Meanwhile he is keen to hear from other organisations and individuals, anywhere in the world, with resources in need of matching with those of others.

During this next stage, Mr. Bretherton is willing to continue acting as the clearing house from Right Match International's offices at 5, St. James's Place, London SW1A 1NP. The telephone number is 01-491 4737, and the Telex number is 97180. According to what does, or does not happen over the next three months or so, he will decide whether or not the project is worth promoting on a bigger and wider scale.

If it does prove so, of course, the prospect will be not only exciting, but also challenging. Because resources will be needed for developing and running the exchange-resource itself. And although that

challenge is as yet merely hypothetical, Michael E. would welcome any ideas readers may have on how best it might be answered.

On board

WHEN Midshipman Dixon joined HMS Ladybird in Japan in 1952, his commanding officer was Lieutenant-Commander David Sheppard. So, naval traditions dying hard, I instantly replied "Aye, aye, Sir," when the said Sheppard, now a headhunter, asked me to signal that he is seeking a finance director for the Hammerson Property and Investment Trust.

The job carries responsibility for all financial aspects of the property group's international business. Particular concerns include relations with financial institutions, and policy and arrangements for any new financing. Accountancy qualification is less important than impressive experience in similar work, and anyone who has dealt internationally on behalf of an eminent merchant bank would have an advantage.

Salary is classified top secret. But I'll risk insubordination by guessing at a minimum of £30,000. Inquiries with appropriate qualifications to Sir at David Sheppard and Partners, 21, Cleveland Place, London SW1Y 6RL. Telephone 01-930 5788.

SYNDICATION MANAGER

For Merchant Bank in Hong Kong To U.S.\$55,000

A leading Asian Merchant Bank is looking for an experienced person, probably 30-35 years old; with a degree in Economics or Finance, to work as its Syndication Manager. Three to five years' financial experience with emphasis on Loan Syndication is necessary.

Interviews will be conducted in London.

Please apply with full details to:

Mr. S. J. Cho
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Tel: (01) 606 0191

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The emphasis is placed upon medium volume, high quality castings and the applicant would need wide technical knowledge, plus appropriate qualifications in engineering, metallurgy and foundry technology.

Applications to:
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ALUMASC LIMITED—A member of the Gold Fields Group
Burton Latimer, Kettering, Northamptonshire NN16 5JP

People wanted

One outcome which I certainly did not expect is that the number of people offering only their skill in specialist or general management as a resource is exceeded by people offering work for demonstrably capable managers as chief executives to start small companies, to run commercial projects already in existence, to identify new business opportunities, and so on.

To round off the current stock, Mr. Bretherton has offers of assorted consultancy services ranging from careers-counselling, through advice on non-executive directorships, to the development of a "mutual-self-help" scheme

Inventors

Five of them can be classified as inventors, the first of these being the group from Shrewsbury School whose design of the Invashrew invalid car won them first prize in their class in the BBC's competition to identify the young engineers of the year. The car is now being investigated by Warwick Production, a Thomas Tilling group company specialising mainly in medical trolleys and other equipment, as well as by a company in

CJA

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35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374.

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The successful candidate will be responsible for the total finance/accounting function of a four-unit manufacturing division (turnover £20m+) - itself part of a U.K. public company. The full range of financial, cost and management accounting is involved, including monthly reporting, cash management, budgets and systems development via computerisation. There will be considerable involvement as a key member of the management team. Candidates will be qualified and suitably experienced with enough ambition and potential for promotion to the Company Board in the short term. Ref: 21157/FT.

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Hertfordshire, c. £8,500 + car

This new key appointment will interest a young person with potential for a directorship within the short/medium term. Our client, part of a successful British public Group, manufactures aluminium extrusions, slugs and collapsible tubes. The successful candidate will control manufacturing at headquarters with a workforce of 300 and be responsible, through a Works Manager, for a second 200 employee site in the North. Candidates, 30+, will be qualified to degree/INC standard, preferably Chartered Engineers. Relevant experience in non-ferrous metals would be valuable together with strong management ability. Ref: 21159/FT.

J.A.B. Bowers
These positions are open to male or female candidates. Please telephone in confidence for a Personal History Form, quoting the appropriate reference to:
LONDON: 01-734 6852, Sutherland House, 5/6, Argyll Street, W1E 6EZ.

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This is an excellent opportunity for someone who is prepared to take up the challenge of establishing a new company for marketing top selling automobiles from Japan.

Please write in English within ten days to:
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S.W. LONDON Salary Negotiable c. £7,500

The CONSTRUCTION INDUSTRY TRAINING BOARD invites applications for this post. The Principal Adviser is responsible to the Financial Controller for the operation of the Board's Economic and Manpower Advisory Services, the staff of which numbers can be divided into three units responsible for economic and manpower studies, financial planning and the programming, planning and budgetary function, and is located at its Headquarters in Norbury, London SW16.

The successful applicant will probably be in his/her early thirties, have had not less than ten years' experience in economics and market analysis and should have knowledge of the structure of the Construction Industry and experience in the field of labour economics. He/she must be able to express himself/herself accurately and succinctly both on paper and orally in committee.

The salary will be negotiable up to £8,000 p.a. Good fringe benefits are provided.

Please write for application form and a more detailed job description to:
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Radnor House, London Road, Norbury, London SW16 4EL
quoting reference PEMA and enclosing an unstamped self-addressed envelope.



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Mid-Eastern young, fast-growing INVESTOR GROUP is seeking an experienced INVESTMENT BANKER with strong technical and marketing skills. Five years' experience preferred.

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Bilingual (French-English), a knowledge of German an added advantage, higher education background, an unquestioned professionalism in the field and thorough practical knowledge of their market and its technical, commercial and financial operations. Candidates will enjoy considerable autonomy within a highly operational structure whose department heads work directly with general management. Very high salary.

Telephone enquiries will be accepted in confidence Monday through Friday during office hours.

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Tel. Paris 787 11 11

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You can be frustrated for any reason at all, real or imagined. Over a salary you think is too low, and may well be. Over rewards or benefits that are too stingy. Over a lack of responsibility, lack of incentive, lack of opportunity, lack of recognition of your talents—over lack of anything, including a future. We're here to help resolve the frustration. We can show you how good you are—and at

what. We can help you obtain the right job, if you're in the wrong one. With the right company and the right people. As for the right attitude, once you know yourself, you will adopt it. You can manage your career. You will benefit from an initial confidential discussion with us. Simply dial 01-734 0752, and ask for John Ball, Senior Partner. Or write to him at:

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Polytechnic of the South Bank

The Council of the Polytechnic invites applications for the post of

DIRECTOR

which will become available on 1st January 1980 following the retirement of the present Director.

Salary approx. £16,000 pa

Further particulars available from the Clerk to the Council, Polytechnic of the South Bank, Borough Road, London SE1 0AA.
Closing date for applications: 28th February 1979

THE ARTS

Ronnie Scott's

Carrie Smith

Singer Carrie Smith is a striking, statuesque Negro...

Her roots are deep in Gospel music and the blues but, as she is proving during her present stay at Ronnie Scott's...

Last Friday it was clearly hard work singing even the blues for she was faced by an audience of unquenchable and monumental boorishness...

KEVIN HENRIQUES

Hayward Gallery

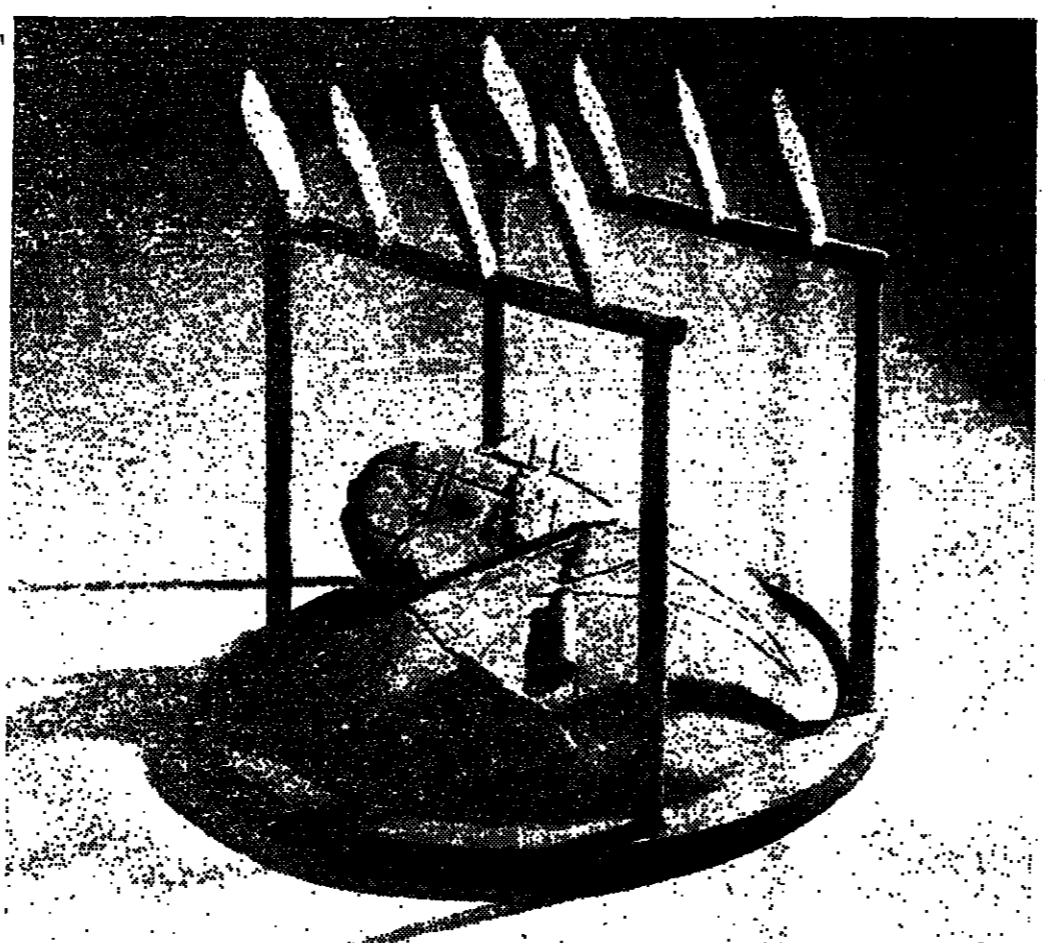
Hubert Dalwood

by WILLIAM PACKER

The Memorial Show is not usually a cheerful affair and especially not if its subject is the work of an old friend...

His little joke with the weather notwithstanding, however, and all misgiving happily put aside, the event proves to be much more a celebration than a wake...

The show at the Hayward (until March 4, and then on to Edinburgh, Leeds, Rochdale and Newport) is small but comprehensive, well set out and extremely well chosen...



"Landscape IV" by Hubert Dalwood

Sensibility, is made strikingly obvious. Dalwood was always emphatically his own man, but intelligently responsive, nevertheless, to the current activity among his peers...

figurative sculptors of the 'fifties, the images lumpen and freely modelled, active, and often cheerfully theatrical. But soon the figures fall away, to be replaced by a human presence signified somewhat more

ambiguously, by association and suggestion, his totems and votive objects shot through with magic, numinous, sacerdotal virtue. And the aura of the temple and the sacred grove continues to haunt the work, though it

grows ever cooler and subtler in its play on the imagination, and much more concerned first by a sense of architecture, and increasingly by a most palpable sense of place.

The last works of all, the small group of landscapes in terrazzo ferrata, that look for all the world like terra-cotta, are exceptionally beautiful, full of happy, witty invention, and at the last an easy and sure command of image and material.

A certain sadness pervades the show, however, which is not at all a quality of the work itself. Rather it is to do with the circumstances of the artist, and the certain knowledge we now enjoy that we, as a society, wasted Nibs Dalwood's considerable gifts.

Festival Hall

Barenboim

by DOMINIC GILL

Barenboim's is a massive, maddening genius. His gifts are large and impressive enough to make the most tentative reservation seem petty, ungenerous.

Barenboim is a master of piano sonority; the six Schubert Moments musicaux with which he opened his programme were each of them magical studies in balance and voicing, exquisitely poised.

It was this most intimate Schubertian accent that one also missed in parts of the C minor sonata: in the adagio especially, delivered with marvellous facility, and in its own way with the greatest refinement, but without mystery or melancholy.

We have heard surprisingly little of Liszt's music from Barenboim. But his performance of the B minor sonata, of his second half, was vivid confirmation of his long-held suspicion that he could be a very great Lisztian pianist indeed. His view of the piece was grand and broadly lyrical—every section as broad indeed as it could be without seeming over-stretched, hugely sonorous, and alive with brilliant energy.

New Ayckbourn play

Joking Apart, Alan Ayckbourn's latest comedy, starring Alison Steadman and Christopher Cazenove, will open at the Globe Theatre on March 7.



Joe Brown

Astoria

Oh Boy!

by ANTONY THORNCROFT

Over 20 years ago now Jack Good carved his small but indelible niche in the framework of pop by launching on an unprepared world Oh Boy!, a television show which in its pace, rapid cross-cutting of camera, and aggression was a complete breakthrough.

Now Jack Good has returned from his American retreat to stage Oh Boy! at the Astoria for three successive Sundays with the chance of a more permanent exposure. Some of the artists of the early days are on stage, along with some fresh faces, and most of the cast of Oh Boy! occupies the Astoria for the rest of the week.

After an attempt at scene setting—a studio producer using the artists in the recording of the Oh Boy! transmission on January 14, 1959—it is non-stop music—over 80 songs in two hours. Somehow the artists manage to be at the right mike at the right time and usually the spotlight reaches them eventually. But this is more of song than a singer show—you

just lie back and let the sounds, mostly still familiar, occasionally long forgotten, wait over you.

They are all there and with a scrupulous attention to the lore of the period few attempts are made to include good songs written after 1959. Even so a haul which includes the big hits of Elvis, the Everlies, Gene Vincent, Little Richard and the rest is virtually unbeatable. And the singers who managed to stay alive (the back projection was constantly flashing images of the many who failed to grow old) have survived as vigorously as the songs. Here is Joe Brown with his (older) Brothers, still grinning away like a maniac; Alvin Stardust, stylishly sinister, and Les Gray younger, but hardly slimmer.

As suits the late '50s the girls are kept well in their place, allowed on stage to founce a bit, and given the odd chorus, but this is still a man's world, idyllically innocent, safe and certain and with youthful joy flowing through the music. It might be as fragile as consuming a meringue but is just as pleasant, and when the audience links its enthusiasm to that of the cast a lively experience is guaranteed.

Stoppard wins Shakespeare Prize

The Anglo-German Jury of the F.V.S. Foundation of Hamburg has announced the award of the Shakespeare Prize for 1979 to Tom Stoppard.

In addition to the honour of the prize, there is a cash award of DM 25,000 (approximately £6,750) and a scholarship of DM 7,200 (approximately £1,950) for one year's study at a university in the German Federal Republic. The prize-winner has the right to select the scholar concerned.

Elizabeth Hall

Mozart's birthday

by DAVID MURRAY

Mozart's birthday is also Nina Milikina, and she was thus a doubly suitable partner for Sir Clifford Curzon in the music for two pianists which occupied half of Saturday's concert.

The B-Flat Symphony that began the concert had much of the same sharp, nervy quality, though it was a little less tidily executed. Again Gardiner secured extremely articulate playing, especially from his violins; and he has a sense of the wind band as a separate entity, not mere reinforcement for the strings, which made itself felt strikingly and often, both here and in the "Prague" Symphony.

Dome, Brighton

Brighton Philharmonic

Not merely a new work but the manner of presenting it lent a special interest to Sunday's concert in the regular series of the Brighton Philharmonic Orchestra. The work, commissioned with public funds from South East Arts, was a Sinfonia by Sebastian Forbes (born 1941), who teaches in the music department of the neighbouring University of Sussex.

The conductor was John Carewe, to whom the piece is dedicated. As the orchestra's musical director, he must be gratified that the new music did not perform its usual disincarnate function of turning away patrons. Thanks no doubt to Bach, Elgar, and the radiant reputation of Kyung-Wah Chung, the Dome was full.

Radio 3/Duisburg

Two Angels in Babylon

The first performance of Rudolf Kelterborn's third opera, Ein Engel kommt nach Babylon, which took place at Zurich in June 1977, was re-broadcast on BBC Radio 3 last Thursday. Having recently heard the work at Duisburg I tried to discover how much of the opera's undoubted success in the theatre depends on the music, and how much on Georg Reinhardt's imaginative production for the Deutsche Oper am Rhein. Friedrich Dittmann's text, adapted by the author from his play, certainly cries out for music, although one of the chief characters, the beggar Akki, speaks more often than he sings. This third dimension makes it even more difficult to apportion praise or responsibility.

players hard and excitingly in the final Presto, with a resultant urgency that took the music far away from any lightweight Rondo-model.

Mr. Forbes's piece was, in fact, shorter (13 minutes) than the conductor's introduction. It shows a resourceful working-out of varied but rather elusive themes. I found myself moderately interested, no more. But a further performance, with more rehearsal, would probably bring out contrasts of dynamics and articulation that would strengthen the whole structure as the audience receives it.

The Brighton Philharmonic concerts depend mainly on players from London and usually (not on this occasion) on a single rearsal. Reasonably high standards, but not the highest, were to be expected and were displayed. Mr. Carewe had opened the programme with Bach's Suite No. 3 in a curiously old-fashioned style—by which I mean not Bach's style but that of one or two generations ago, lacking a keyboard continuo instrument, deficient in double-dotting, and rather dull as well, with some disturbing smudges from the trumpets.

Wellness, however, is a word utterly absent from Kyung-Wah Chung's musical vocabulary. Her masterly playing of Elgar's Violin Concerto was heroic and tender by turns, exactly as it should be. As a preparation for her initial, very deliberate entry, Mr. Carewe's pace in the orchestral opening was a shade too fast, but afterwards it settled into a gripping performance.

piece some definite reaction—even shouting "Bravo" or "Rubbish" if so inclined. "Although Mr. Carewe is a devoted champion of new music, his defensive and indeed pugnacious stance left me slightly uneasy, particularly after someone did shout "Boring!" as soon as the music ended. But a further test is necessary. Second performances being even more important than firsts, it becomes Mr. Carewe's duty to insist on programming the piece next season as well.

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says Actor Manager Brian Rix, C.B.E. "It's true. If you buy a Konica C35 AF, the world's first self-focusing camera before April 14, you also get free family membership to the British Airways Arts and Adventure Club!"

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UK COMPANY NEWS

Companies and Markets

Burco Dean raising £1.2m to meet expansion plans

Burco Dean, manufacturer of domestic appliances and kitchen equipment is raising £1.2m by way of rights. A total of 2.1m shares of 50p each will be issued on the basis of one-for-three at 60p per share.

BOARD MEETINGS The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are intended or not, and the sub-divisions shown below are based mainly on last year's timetable.

Table with columns for company names and meeting dates. Includes: BAT Industries, Braham Holdings, Christie-Tyler, Deagan Holdings, Decca, Hambro Trust, Stewart Plastics, Sytco, Thomas Plywood Manufacturers, Warren, Plantations, Finlay, Bertrams, Glass Glover, IDC.

comment Having modernised the kitchen furniture operation, Burco Dean is now turning its attention to the cooker manufacturing activities. The company thinks this could now be the fastest growing part of the business and plans to spend up to £5m over the next four years in order to update existing plant and increase capacity.

Confidence at Notts. Brick

The first three months trading at Nottingham Brick Company, has been satisfactory and orders and reservations already received indicate this position should continue in the immediate future, Mr. W. David Crane, chairman, tells shareholders.

STEWART WRIGHTSON Mr. A. D. Deiderfeld, who recently headed Lloyd's insurance broker Stewart Wrightson's marine operations in London, has resigned his directorship within the Stewart Wrightson group.



Mr. David Lawman, chairman of the Prestige Group, pictured in the company's London showrooms. The Group's results are due to be announced tomorrow.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current Dividend, Date of Payment, Corresponding Dividend, Total Dividend, Total Dividend for last year.

Abbey Panels £1.35 March 5 1.32 4.4 Midland Trust Int. 2.01 March 5 1.32 4.4 Dividends shown pence per share net except where otherwise stated. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity.

Abbey Panels behind

DESPITE a second half profit of £21,069 against £226,194 Abbey Panels finished the full year ended September 30 1978 with taxable profits down from £439,924 to £380,319. Turnover rose from £3,49m to £4,56m during the year.

No upturn yet at Ley's Foundries

Two years of generally poor demand have had a substantial impact on the profit margins of Ley's Foundries and Engineering, says Mr. Francis D. Ley, chairman, in his annual report.

BP Canada

BP Canada announces that all the company's outstanding 5 per cent cumulative redeemable preference shares will be redeemed on March 26, 1979.

Worcester Eng. expansion

Turnover at Worcester Engineering Company, manufacturer of oil-fired boilers, more than doubled during 1978, while volume production was exactly double that of 1977.

Thos. Ward sees higher profit after overhaul

For the current year, Thos. Ward is aiming for a higher net profit than in 1977-78. Mr. Peter Frost, chairman, tells shareholders in his annual report.

Good first quarter for Borthwick

IN THE first quarter of the current year, Thomas Borthwick and Sons has got off to a good start with results "solidly ahead" of last year.

Good start for Vaux Breweries

A Vaux weroff heise Bret G M At the AGM of Vaux Breweries the chairman, Mr. Paul Nicholson, said that sales were still well ahead of the levels of two years ago and not far short of last year, when they were inflated by the effects of other brewers' strikes.

Utd. Guarantee broadening base

Steps will hopefully have been taken in the current year to broaden the base of United Guarantee (Holdings), says Mr. H. W. King, the group's chairman, in his annual statement.

Trident new pension plan

A new pension scheme designed for controlling directors and senior executives has been launched by Trident Life Assurance Company. Called the Trident Life Executive Pension Plan its aim is to provide flexible benefits to meet the individual needs of executives and methods of making contributions.

Independent Newspapers has very strong balance sheet

The financial position of Independent Newspapers at the end of 1978 was the strongest in the group's 75-year history, Mr. R. T. Murphy, the chairman, says in his annual report.

national newspapers in Ireland and their combined circulation accounted for 35.7 per cent of the total circulation of national newspapers. Advertising in both national and regional Irish papers rose steeply in the year in line with the country's economic performance and regained consumer confidence, the chairman says.

INTEREST 14 1/2% OR MORE PER ANNUM. Paid on deposits. First FAVELL FINANCE LTD. 166, Birchfield Road East, Northampton NN3 2HG. Telephone 0204 74850.

Dobson Park "A profit increase of 23%" In the circular to shareholders in May announcing a Rights Issue the Board forecast pre-tax profits of £1,325 million for 1977-78. In the event we exceeded our forecast comfortably and profits amounted to £1,377.5 million, an increase of 2.7% over the previous year.

A Mining and Specialised Engineering Group LONDON, NOTTINGHAM, WIGAN. C.F. Ward, Chairman. Summary of Results: 1978 (£ million) 1977 (£ million). World Sales to third parties: 1320 vs 1262. Sales in the United Kingdom: 999 vs 954. Sales Overseas: 321 vs 308. Profit before taxation: 138 vs 111. Profit attributable to shareholders: 105 vs 77.

NEW LIFE BUSINESS Colonial Mutual success: writes 28% more

A successful year for new life business in 1978 is reported by The Colonial Mutual Life Assurance Society, with new annual premiums 56 per cent higher at £3.6m compared with £2.3m in the previous year. New single premiums, however, fell by 10 per cent from £2.2m to £2m, resulting in new sums assured being 2 per cent higher at £222m against £217m. New annuities per annum rose by 136 per cent from £509,000 to £1.1m.

MCCORQUODALE World-wide specialist printers. Year ended 30 September 1978 1977 £000 £000. Turnover: 57,440 vs 52,341. Profit before tax: 4,123 vs 3,032. Earnings per ordinary share: 49.64p vs 43.31p. Dividends per ordinary share: 15.87p vs 14.24p. Mr. Alastair McCorquodale, Chairman, reports: * Group profits up 36% on turnover up 10%. * £1 ordinary shares to be split into two shares of 50p each. * Scrip issue of 1 for 4. * Group is planning for increase in profits and earnings in the current year.

BIDS and DEALS

Tilling buying American electrical wholesaler

Tilling yesterday... British conglomerate... Tilling's main subsidiaries now have operations in the U.S.

SUPPORT FOR STANLEY MILLS

A new company has been formed... Stanley Mills... The business and fixed assets have been bought by Stanley Mills.

Insurance for works of art

An insurance broking company has been formed to provide insurance services for owners of works of art.

Best and May suspended at 65p on takeover approach

Best and May... The takeover approach... The company's shares were suspended from the Stock Exchange at 65p.

NATIONAL CARBONISING

Mr. Graham Ferguson Lacey... National Carbonising... The offer by Armstrong Equipment for the capital of Anglo-Swiss Holdings not already owned has been accepted.

ANGLO-SWISS HOLDINGS

The offer by Armstrong Equipment for the capital of Anglo-Swiss Holdings not already owned has been accepted in respect of 629,908 ordinary shares.

MINING NEWS

Kaiser Resources earns more

VANCOUVER'S Kaiser Resources has lifted its 1978 net profit to C\$62.1m... The rise of 8 per cent in 1978 earnings is attributed to record shipments of metallurgical coal.

LAURASIA GETS MINADOR FUNDS

New finance is to be raised by Canada's Laurasia Resources for its South African Minador gold mine... The corporation's mine and mill are in the Faro district of the central Yukon.

MINING BRIEFS

WITWATERSRAND MINE—Quarter ended December 31, 1978: Ore milled 70,900 tonnes... ANGLO AMERICAN CORPORATION OF SOUTH AFRICA—Coal division sales output for the year 1978.

UK NEWS

P.O. to expand paging service throughout UK

The Post Office is to establish a national radio paging service, to spread throughout the UK in the 1980s.

Collecting VAT costs £500m

By Our Consumer Affairs Correspondent... AN estimated £500m a year is spent by industry and commerce on collecting and accounting for VAT.

Scheme will give tenants better mobility

A SCHEME providing more mobility for London council tenants will be the subject of a clause in the Housing Bill to be introduced in Parliament in the next few weeks.

Textile driers to work together

STRAFIELD International of Reading and Dawson International of Selkirk are to work jointly in the manufacture and development of radio frequency textile drying equipment.

TRUSTS BUY IN LOAN STOCKS

Between January 24 and 29, Romney Trust purchased at 95 per cent for cancellation £1,022,007 41 per cent convertible unsecured loan stock, 1973-86, and Baeburn Investment Trust purchased at the same price £840,236 41 per cent convertible unsecured loan stock, 1973-86.

OIL AND GAS NEWS Imperial Oil earnings rose 7% to \$314m in 1978

CANADA'S LARGEST oil company, Imperial Oil, estimates 1978 earnings rose seven per cent to C\$314m... The improved earnings reflect strong performance in all operating segments.

SHARE STAKES

Park Place Investments—ICFC has exercised its option to subscribe for 500,000 shares... Carr's Milling Industries—Haygates has recently bought further 25,000 shares.

Republic ranks 26th in equity capital among all U.S. banks.

And ranks 2nd in the ratio of stockholders' equity/assets.

Table with columns: RANK, AS OF 6/30/78, EQUITY CAPITAL (\$000's), RATIO. Lists 30 banks including Citibank, Bank of America, Chase Manhattan, etc.

LISTENED TO THE FT. TODAY? THE FINANCIAL TIMES INDEX & BUSINESS NEWS SUMMARY. Look for the number in your phone book. Post Office Telecommunications.

IN BRIEF

RECORD HIGHWAY—Results for year to October 1, 1978 with comments on prospects, already reported. Group profit on CCA basis reduced to £222,000... TRANS-ATLANTIC AND GENERAL SECURITIES COMPANY—Final distribution on Wickinor Fund.

Republic New York. A Safra Bank. Republic National Bank of New York, Republic New York Corporation, Park Ave. at 40th St., New York, N.Y. 10017.

Companies and Markets

INTL. COMPANIES and FINANCE

CAPITAL SPENDING AT BMW

Reinforcing the marque

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BEST GERMANY'S Bayerische Motoren Werke (BMW) will spend DM5bn (\$1.6bn) on its business over the next three years...

would be retained while it could get more benefits from economies of scale. However, it might be necessary to go up to 400,000 at some stage, said Mr. Schönbeck.

In 1980 BMW expects to deliver 40,000 cars and have 400 dealers in the U.S. and to keep sales at around that level...

Eventually will follow the usual pattern. Significantly, Tozer Kemsley and Milbourn (Holdings), the international trading and finance group which owns BMW Concessionaires, the UK importing organisation, two years ago set up a second specialist vehicle import organisation to handle Jeep and Daihatsu four-wheel drive vehicles...

Car output at BMW is to be increased by something like a fifth over the next six years providing the West German manufacturer with economies of scale while not interfering with what the company believes is the exclusivity of its range of models.

of its domestic market and hold sales at that level. In 1978 it estimates it had 5.9 per cent, up from 5.6 per cent in the previous year...

BMW cars last year with 21,000 expected to be sold there in 1979, those totals still represent less than 1 per cent of the car market.

The main constraint on BMW's output is engine production and a major part of the investment programme will be devoted to further modernisation of the Munich plant where engines are produced currently at the rate of 1,500 a day.

February DM9500

Heavy dealings in Volvo

William Duffin in Stockholm DEALINGS in Volvo shares were about three times as heavy as usual on the Stockholm Stock Exchange yesterday following the suspension of trading on Friday before the Board announced that it was abandoning its plan to sell 40 per cent of the company to Norway...

Capital changes at Montefibre

BY PAUL BETTS IN ROME

MONTEFIBRE, the financially troubled synthetic fibres and textiles subsidiary of the Milan-based chemicals conglomerate Montedison, plans to write down its capital from L117bn to L65bn and subsequently raise it to L115bn (\$133m).

The proposal, to be put to an extraordinary meeting of shareholders at the end of next month, reflects the continuing financial difficulties and heavy losses of Montedison's largest subsidiary despite signs of a market recovery in both the textiles and chemicals sector.

losses up to 1980. Proposals to restructure and rationalise Montefibre's operations by merging its fibres activities with those of Sita Viscosa in which Montedison holds the single largest stake are still blocked at government level.

BOND

Income boost for Swiss insurance group

JOHN WICKS IN ZURICH THE CONSOLIDATED premium income of the Baloise Holding Insurance Group, of Basle, increased last year by 3 per cent to some \$772m (\$772m), remains the two major subsidiaries, the Baloise Insurance Company and the Baloise Life Insurance Company, went up 5 per cent each, while turnover of the French subsidiary Ardialte-Baloise rose by only 5 cent in terms of French francs.

Astra earnings growth in line with forecast

BY OUR NORDIC EDITOR

ASTRA, THE Swedish pharmaceuticals group, reports 18 per cent growth in pre-tax earnings to around SKr 135m (\$31m) for 1978. Sales climbed by the same percentage to just over SKr 2bn (\$467m).

ment is made for the two subsidiaries sold during the latter part of 1978, and a third disposed of earlier this month. The remainder of the group boosted sales by 20 per cent and turned in 23 per cent profit growth during 1978.

Total sees stronger cash flow

By David White in Paris

THE TENTATIVE recovery of France's Total oil group is confirmed by indications of a stronger cash-flow last year. Rene Granier de Laillec, chairman of Compagnie Francaise des Petroles, the parent company, told employees that group net profit would be slightly up on 1977, and that cash-flow would show a more marked improvement after stagnating up to the beginning of the year.

Dutch banks lift rates

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH BANKS plan to start calculating interest payable on current and savings accounts on a daily basis. The move, which will come into effect in April, could increase interest payments to customers by Fl 80-100m (\$40-50m) a year.

of calculation was announced by the general banks, the savings banks and Centrale Rabobank. The general banks together have 1.8m current account holders while banks affiliated to the Centrale Rabobank have a further 2.5m.

Dutch banks lift rates

BY CHARLES BATCHELOR IN AMSTERDAM

Among the reasons for the move is the growing competition from the post office Giro and cheque service which is already in the process of introducing a similar method of calculating interest for its savings account holders.



Advertisement for YPF U.S. \$250,000,000 12 Year Floating Rate Loan, guaranteed by the Republic of Argentina, managed by DG BANK Deutsche Genossenschaftsbank, The Industrial Bank of Japan, Limited, and others.

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Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

INTEREST RATES

Doubt over Australia's falling rates

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Government has pinned itself into a difficult corner over interest rates.

Since September, 1977, the Government has steadily manoeuvred official bond rates lower, with the long-term rate—the benchmark for interest rates—generally coming down from 10.5 per cent to 8.5 per cent.

The last reduction was in November when the long-term bond rate was cut from 9 per cent to its present level, apparently to enable Prime Minister Malcolm Fraser to fulfil a prediction made 12 months earlier that interest rates would fall by 2 per cent by December, 1978.

That prediction was largely self-fulfilling as it encouraged investors to buy bonds with the certainty of capital profits through falling yields, which in turn enabled the authorities to justify further interest rate reductions because of solid subscription.

The posture maintained by the authorities is that they only respond to market forces, but this is not the case.

Government loans are at regular intervals and target levels are not set. There is no

tender, or tap, stock system, where rates are determined by market response. A major reason the government can operate this way is because it has a large captive market in the major institutions, such as the life offices and pension funds. The institutions can gain tax concessions if they place at least 30 per cent of their funds into government securities, of

which 20 per cent must be in government bonds. This is a major reason why the gap between government yields and commercial interest rates is so wide in Australia. The long-term corporate interest rate at present is between 10 and 10.5 per cent.

Despite its captive subscribers the government has managed to get itself into difficulties. There is a widespread

view that the November bond rate reduction was not justified. In fact the market is simply not prepared to accept the official yield structure, and bond deals are still going through at yields of 8 per cent, and slightly higher.

On this occasion there is plenty of stock available because investors overbought when rates were still clearly

headed down. If the authorities attempted to hold the official yield curve by buying bonds, they would be rushed with sellers, which would create deficit-funding problems.

In fact the government still needs to raise around A\$200m more if it is to fund the forecast deficit of A\$2.8bn without resorting to the printing presses.

The betting is the government will forego a cash loan and make a conversion offering for maturing bonds.

The more likely course is that the Government will forgo a cash loan and simply make a conversion offer for maturing bonds—most of the stock has already been bought by the Reserve Bank. This would enable the Government to stick with its current rate structure while avoiding the embarrassment of a flop, but it will do nothing to solve its budgetary problems. If the Government ducks the issue at this stage it would only leave the May loan in 1978-79 to seek cash subscription, but that is even more unlikely as the seasonal liquidity crunch for tax payments is most severe in the April-June quarter.

The alternatives for the Government, besides the printing press, are unpalatable. It can either try to increase

and A\$500m, thus aggravating the problem.

If the government goes ahead with a cash loan in February it would almost certainly result in an embarrassingly small subscription. To have any chance of raising funds of any magnitude the government would need to increase interest rates, but this would have an adverse psychological impact on the market.

The more likely course is that the Government will forgo a cash loan and simply make a conversion offer for maturing bonds—most of the stock has already been bought by the Reserve Bank. This would enable the Government to stick with its current rate structure while avoiding the embarrassment of a flop, but it will do nothing to solve its budgetary problems.

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The alternatives for the Government, besides the printing press, are unpalatable. It can either try to increase

revenue, through the imposition of additional taxes, or further reduce its own spending, which would be difficult in the current situation of high unemployment.

The corporate sector, however, has already made its own judgment on interest rates. Industrial companies have followed the bond rate on movements, and the corporate loan rate had fallen from around 12 per cent in late 1977 to the point where the country premier borrower, Broken Hill Proprietary, became the first company for several years seek long-term funds below 10 per cent.

But BHP and a number of other quality corporate borrowers, such as John Lyngal Australian Consolidated Industries and Ford of Australia have found the going tough.

BHP only managed to reach its underwritten target of A\$87m with the aid of two Government associated bodies, which put A\$30m, and fell well short of the total sought of A\$100m.

The alternatives for the Government, besides the printing press, are unpalatable. It can either try to increase

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J.F.I. Jordan Fertilizer Industry Company Limited

\$20,000,000

Project Linked Multicurrency Fixed Interest Long Term Loan

The Hashemite Kingdom of Jordan

Arab Petroleum Investments Corporation (APICORP)

January 1979.

NOTICE OF REDEMPTION

To the Holders of

CYANAMID INTERNATIONAL DEVELOPMENT CORPORATION

5 3/4% Guaranteed Sinking Fund Debentures Due 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 1, 1965 providing for the above Debentures, \$711,000 aggregate principal amount of said Debentures have been selected by lot for redemption on March 1, 1979, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date. The serial numbers of the Debentures selected for redemption are as follows:

OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

09 17 22 23 25 31 32 43 44 49 51 57 61 64 84

ALSO OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE FOLLOWING NUMBERS:

3499 3736 5598 7999 7778 11785 14698 15398 16998

Payment will be made upon presentation and surrender of the above Debentures with coupons due September 1, 1979 and subsequent coupons attached at the main offices of any of the following: Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015; Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Paris; Banca Commerciale Italiana in Milan; Algemeene Bank, Nederland, N.V. in Amsterdam; or Kredietbank S.A. Luxembourg; in Luxembourg. Coupons due March 1, 1979 should be detached and collected in the usual manner.

On and after March 1, 1979 interest shall cease to accrue on the Debentures selected for redemption. Date: January 30, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF \$1,000 EACH

21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99

Indian Oxygen falls

BY P. C. MAHANTI IN CALCUTTA

PRE-TAX PROFITS of Indian Oxygen—the Indian offshoot of British Oxygen of the UK, which has ceased to be a foreign controlled company with a disinvestment bringing the foreign holding down to 40 per cent—dipped sharply, to Rs 31.6m (\$4m), in the year to September. The profit the previous year was a little more than Rs 51m.

The impact of severe power shortages in some parts of the country, of industrial unrest affecting the customers, especially in the western and southern parts, and of slack demand in

certain sectors of the economy has had an adverse effect on sales, said Mr. K. D. Moore, the chairman. Loss of production and increased operating costs from power interruptions and shortages, it is calculated, caused a profit loss of upwards of Rs8m which could not be recovered, as a result of cost pressures all round.

The chairman is disappointed that the Indian Government has not yet given its approval to the company's major diversification project—to make a range of castor based chemical products.

Israeli bank boosts profit

BY L. DANIEL IN TEL AVIV

DEVELOPMENT and Mortgage Bank—a subsidiary of the Discount Bank, Israel's third largest commercial bank—reports a net profit for 1978 of I£32.2m (\$3m), a rise of 87.8 per cent on 1977. Net profit before adjustments of accounting practices for tradable bonds, was up by 44.4 per cent.

Ordinary income—interest gains in index-linked bonds and exchange rate differentials, commissions on loans—came to I£1.75bn in 1978 against I£1.09bn a year earlier.

Paid up share capital rose by I£37.25m to I£90.4m after a 25 per cent scrip issue, the flotation of new shares last July and the conversion of debentures.

Ordnan Metallurgical Industries, a subsidiary of CLAL, Israel's largest investment com-

pany, intends to raise I£110m (\$8.3m) of new capital on the Tel Aviv Stock Exchange by the issue of 151 and 125 ordinary shares—to be sold at 340 per cent of the nominal value—together with options.

Singapore plant for Matsushita

By Richard C. Hanson in Tokyo

MATSUSHITA Electronics Corporation, a joint venture between Matsushita Electric Industrial and Philips, has decided to build its first overseas semiconductor plant in Singapore, capitalised at \$84m (US\$2.8m).

The parent company also said that it has established a wholly-owned subsidiary in Singapore to supply equipment to its 13 affiliates in South-east Asian countries. The new company, Singapore Matsushita Technical Center, capitalised at \$81m, will construct a plant and operate a technical training centre for local engineers.

Matsushita Electronics will from May begin manufacturing products including silicon transistors and integrated circuits. The company was established in 1959, with Philips holding a 35 per cent share, and the Matsushita parent the remaining 65 per cent.

Shiseido slackens

BY YOKO SHIBATA IN TOKYO

SHISEIDO, Japan's top manufacturer of cosmetics, experienced slow growth in both sales and profits for the fiscal year to November.

Despite the company's aggressive sales strategies, sales rose by only 6 per cent to ¥265.7bn. By products, cosmetics accounted for 86.7 per cent of turnover and soaps for 9 per cent.

Favourable developments such as a fall in raw material costs and the effect of production line rationalisation were cancelled out by a price markdown in cosmetics. The ratio of costs to sales rose by 0.5 per

cent to 48 per cent, thus blunting the growth rate of current profits, up by only 2 per cent to ¥22.5bn. Net profits were ¥9.7bn (¥42.5m), 3.6 per cent more than a year ago.

For the current fiscal year, Shiseido expects cosmetic sales to grow by 7 per cent after putting its main stress on sales expansion of higher-grade cosmetics. However, the company faces rising raw material prices among other difficulties.

Sales are predicted to rise to ¥282bn, up 6 per cent, with current profits at ¥23bn, a

Table with financial data for CLIVE INVESTMENTS LIMITED and ALLEN HARVEY & ROSS INVEST. MANAGEMENT LTD.

Advertisement for World Business Weekly magazine with text 'NONE TOO SOON!' and 'The FINANCIAL TIMES has now launched its new weekly magazine only for America'.

U.S. \$150,000,000 Export Development Corporation

Société pour l'expansion des exportations (Mandataire de Sa Majesté du chef du Canada) 9.85% Notes Due January 15, 1984 Interest payable January 15 and July 15 Principal and interest payable in U.S. dollars

- List of financial institutions including Salomon Brothers, Wood Gundy Incorporated, Morgan Stanley & Co., The First Boston Corporation, Merrill Lynch White Weld Capital Markets Group, etc.



CURRENCIES, MONEY and GOLD

Companies and Markets

Sterling improves

Sterling showed a firmer tendency against most major currencies in yesterday's foreign exchange market, although trading was described as dull with no real volume.

Against the dollar, sterling opened at \$1.9920 and eased to \$1.9930 by the end of the day, before recovering to \$1.9950 by the end of the afternoon.

NEW YORK—Early trading saw very little activity but the dollar improved against the sterling, where the latter improved on a slightly better look to recent industrial unrest.

THE POUND SPOT

Table with columns: Jan. 29, Day's Spot, Close, One month, Three months, Six months. Lists currencies like U.S. \$, Canadian \$, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Jan. 29, Day's Spot, Close, One month, Three months, Six months. Lists currencies like U.S. \$, Canadian \$, etc.

CURRENCY RATES

Table with columns: Currency, Rate, Currency, Rate. Lists various international currencies and their exchange rates.

OTHER MARKETS

Table with columns: Market, Price, Market, Price. Lists various commodities and their prices.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate, Currency, Rate. Shows cross rates between major currencies.

EURO-CURRENCY INTEREST RATES

Table with columns: Term, Rate, Term, Rate. Lists interest rates for various Euro-currency deposits.

INTERNATIONAL MONEY MARKET

German call money rate cut. Interest rates continued to ease in parts of Europe yesterday, with call money in Frankfurt falling to 10.2-10.3 per cent.

Gold Slight rise

Gold showed a slight improvement in the London bullion market yesterday and closed at \$235.23, a rise of \$1 an ounce. The metal opened at \$235.23 and was fixed during the morning at \$235.05.

UK MONEY MARKETS

Exceptional assistance. Bank of England Minimum Lending Rate 12 1/2 per cent (since November 9, 1978). Conditions remained very nervous in the London money market yesterday.

MONEY RATES

Table with columns: Term, Rate, Term, Rate. Lists various money market rates.

LONDON MONEY RATES

Table with columns: Term, Rate, Term, Rate. Lists London money market rates.

World Value of the Pound

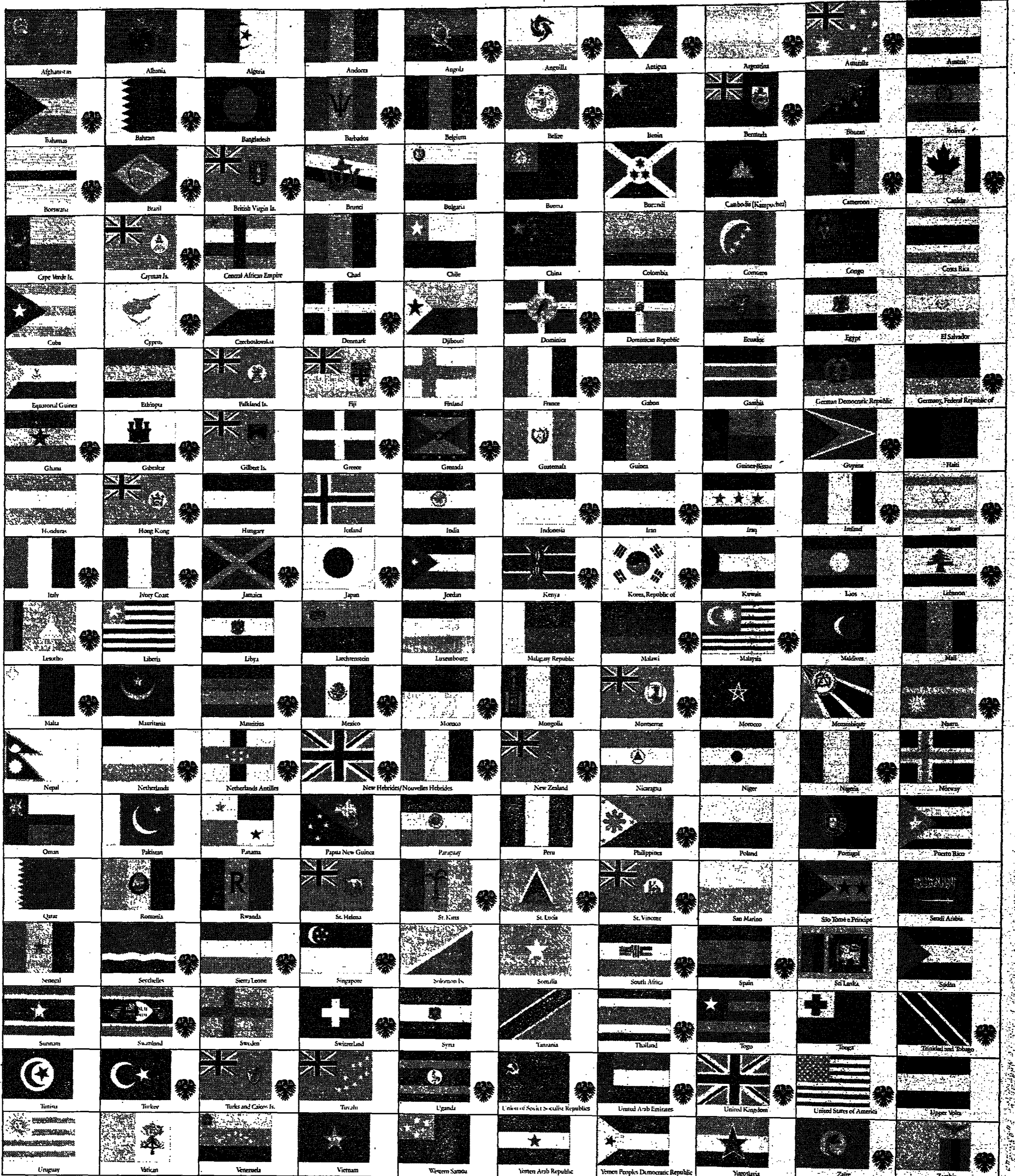
The table below gives the latest available rates of exchange for the pound against various currencies on January 29, 1979, in some cases rates are nominal.

Large table with columns: Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of \$ Sterling, Place and Local Unit, Value of S Sterling, Place and Local Unit, Value of S Sterling. Lists global exchange rates.

*Part of the French community in Africa formerly part of French West Africa in French colonial AMTs. †Based on cross rates against Russian rouble. ‡Based on cross rates against the dollar.

Thomas Cook Travellers Cheques. The accepted name for money Worldwide. A member of Midland Bank Group.

The Royal Bank of Canada. 10.40% Debentures. To be dated February 15, 1979. To mature February 15, 1989. Price 100 and accrued interest.



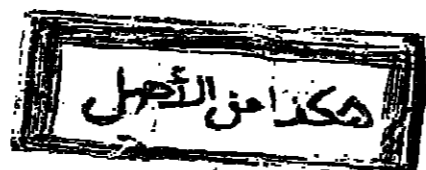
Proportions and shades of colour may not always conform exactly to official national specifications.

BARCLAYS INTERNATIONAL'S WORLD OF BANKING

Our Report and Accounts for the year ended 30th September 1978 surveys the progress of our operations in more than 75 countries around the world. For your copy, send the coupon opposite to The Secretary, Barclays Bank International Limited, 54 Lombard Street, London EC3P 3AH.



The Barclays eagle marks those countries in which the banks of the Barclays International Group operate.



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Barclays Bank International
Limited, 54 Lombard Street,
London EC3P 3AH.

WORLD STOCK MARKETS

Companies and Markets

Early Wall St. reaction on profit-taking

INVESTMENT DOLLAR PREMIUM... American Express lost to \$31 after sweetening its proposed bid for McGraw-Hill to 340 shares...

Syntax receded to \$37 and Amahl to \$38. Ranchers Exploration advanced \$2 to \$18 after a late start due to an order influx.

Canada Share prices were inclined to gain further ground in active early trading as positive corporate news overshadowed expected profit-taking.

United Technologies slipped to \$38 1/2 despite reporting sharply higher fourth-quarter profit and raising the dividend.

Aluminum Co. of America rose to \$37 1/2. Petro-Canada advanced to \$29 1/2 in principle to buy Ashland's Exploration unit for \$120.5m in cash.

Iowa Beef Processors declined to \$45 despite splitting its stock two-for-one and doubling the dividend.

American Airlines eased to \$12 1/2 even though it reported a fourth-quarter profit against a loss a year ago.

THE AMERICAN SE Market Value index shed 0.38 to 161.97 at 1 pm on volume of 1.60m shares.

Resorts International "A" headed the active list but lost to \$32 1/2. The Securities and Exchange Commission has authorized an investigation of the company's financial and proxy statements since 1970.

Among other Anex activities, the market made fresh progress in active dealings yesterday, helped by a sharp dollar

Germany An early stock market advance later faded but stocks still showed a majority of gains at the close, with the Commerzbank index recording a day's rise of 5.5 to \$26.5.

Banks were in good form, with Bayerische Vereinsbank gaining 4.0, Deutsche Bank DM 2.60 and Dresdner Bank DM 2.20.

Elsewhere, Preussag advanced DM 2.30, while Karstadt, in Stores, put on DM 1.50.

However, AEG, in Electricals, shed DM 2.70 following market talk that the concern may alter its capital structure as a result of losses registered in 1978.

Thyssen, in Steels, lost DM 1.50. Public Authority Bonds sustained further losses ranging to 7 1/2 pennings.

Switzerland Stocks moved further ahead on the day, with the composite index trading steady at 1,170.

One dealer cited heavy foreign demand, increasing market liquidity, and the dollar's strengthening for the day's early redemptions for Bonds shows that the liquidity will increase substantially, and interest rates on bonds are inclined lower.

In Banks, Union Bank rose to 20 1/2 to 21 1/2. Baur & Cie advanced to 17 1/2 to 18 1/2.

Power Plant issue Aiel advanced to 20 1/2 to 21 1/2. Baur & Cie advanced to 17 1/2 to 18 1/2.

NOTES: Overseas prices shown below include 5 percent Belgian dividends and 10 percent Dutch dividends.

GERMANY Price + or - Div. Yld. Jan. 29 DM % %

ALLIANCE 71.8 - 2.7 1.8 5.5

BK 202.5 + 4. 31.2 3.8

BK 202.5 + 4. 31.2 3.8

BK 202.5 + 4. 31.2 3.8

BK 202.5 + 4. 31.2 3.8

BK 202.5 + 4. 31.2 3.8

BK 202.5 + 4. 31.2 3.8

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BK 202.5 + 4. 31.2 3.8

BK 202.5 + 4. 31.2 3.8

BK 202.5 + 4. 31.2 3.8

BK 202.5 + 4. 31.2 3.8

Indices

NEW YORK - DOW JONES

Table with columns for Jan 25, Jan 26, Jan 27, Jan 28, Jan 29, Jan 30, High, Low, 1978-79, Since Comp'l'n

Table with columns for Jan 19, Jan 12, Jan 5, Year ago (approx)

STANDARD AND POORS

Table with columns for Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79, Since Comp'l'n

N.Y.S.E. ALL COMMON

Table with columns for Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79, Since Comp'l'n

MONTEAL

Table with columns for Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79

TORONTO Composite

Table with columns for Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79

JOHANNESBURG

Table with columns for Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79

BRUSSELS LUXEMBOURG

Table with columns for Jan 29, Price + or - Div. Yld. % %

PARIS

Table with columns for Jan 29, Price + or - Div. Yld. % %

AMSTERDAM

Table with columns for Jan 29, Price + or - Div. Yld. % %

SWITZERLAND

Table with columns for Jan 29, Price + or - Div. Yld. % %

MILAN

Table with columns for Jan 29, Price + or - Div. Yld. % %

VIENNA

Table with columns for Jan 29, Price + or - Div. Yld. % %

STOCKHOLM

Table with columns for Jan 29, Price + or - Div. Yld. % %

NEW YORK

Table with columns for Stock, Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79, Since Comp'l'n

Table with columns for Stock, Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79, Since Comp'l'n

Table with columns for Stock, Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79, Since Comp'l'n

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Table with columns for Stock, Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79, Since Comp'l'n

Table with columns for Stock, Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, High, Low, 1978-79, Since Comp'l'n

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., Last, July, Oct., Stock

BASE LENDING RATES

Table with columns for Bank, Rate, %

BASE LENDING RATES

Table with columns for Bank, Rate, %

BASE LENDING RATES

Table with columns for Bank, Rate, %

TOTAL VOLUME IN CONTRACTS

Table with columns for Month, Volume

COMMODITIES AND AGRICULTURE

Legal threat over sugar beet losses

By a Correspondent
MIDLAND SUGAR beet growers, who face losses of about £1m because of frost damage to their crops...

Latin American fishing boost proposed

By Hugh O'Shaughnessy
THE FISHING industry in Latin America could be quadrupled to yield up to 36m tonnes if its full potential were realised...

Silver and copper prices advance to new peaks

BY JOHN EDWARDS, COMMODITIES EDITOR
SILVER PRICES rose to record levels and copper reached a new 20-month peak on London metal markets yesterday...

change warehouses declined by 6,300 tonnes last week reducing total holdings to 324,550 tonnes. This is a fairly modest fall compared with those earlier in the month...

Combined membership of the two exchanges would total 533 and members would be able to trade all three commodities. Trading interest on the Cocoa Exchange is reported to have been depressed by the market's isolation from the other New York futures markets since they moved into the World Trade Centre nearly two years ago...

NY futures merger plan detailed

By Our Commodities Staff
THE PROPOSED merger of the New York Cocoa Exchange and Coffee and Sugar Exchange took a further step forward yesterday when the Exchange released details of their proposals for merger...

Australia and India seek iron ore price rise

NEW DELHI—Australia has agreed to consult with India on iron ore export policies in a bid to raise prices, Mr. Malcolm Fraser, the Australian Prime Minister said here yesterday...

World grain forecast raised

WASHINGTON — The total 1978-79 world grain crop including milled rice is now projected at 1,925m tonnes compared with 1,809m previously forecast and 1,326m estimated for last season...

Present shipping and transportation problems rather than competition from the U.S., the EEC, Australia and Argentina are the major obstacles to expanding its export markets right now, they said.

Nevertheless, Canada is concerned about use of export subsidies, especially by the EEC. Mr. John O'Connor, director-general of the Canadian Trade Department's grain marketing office, described these subsidies as "troublesome."

COMMODITY AGREEMENTS Wide differences at cocoa pact talks

BY BRJ KHINDARIA IN GENEVA
THE POSITIONS of the main participants in the conference on cocoa here are so wide apart that some delegates are even questioning why the four-week supplementary talks were called at this time in the crowded calendar of international talks...

COCOA PRICES rose sharply on the London futures market yesterday afternoon ending a five-day decline which had wiped nearly £100 off nearby values. The May position slipped to £1,751 a tonne during the morning but manufacturer buying in New York later sparked off a technical rally which boosted the May quotation to £1,798 a tonne at one time.

should the buffer stock mechanism alone prove inadequate to stabilise prices. Some consumer nations are questioning the concept of supplementary measures against "other measures." Others insist that buffer stocks should be the sole instrument of price stabilisation.

Loop hole

While filling in a major loop hole in the existing cocoa agreement, the U.S. participation has also brought problems because its delegation has taken positions quite different from those of other consuming nations on several key issues.

Mandatory

A major battle looms over how the buffer stock would be financed. The producers have proposed a levy of one U.S. cent per pound charged on first export or first import of cocoa beans or the beans equivalent of cocoa products.

Higher price forecast

NEW YORK—Tallow is expected to rise in price this year amid strong demand and a dip in output. The U.S. Agriculture Department estimates annual U.S. milk output at \$1.4bn and says about half of that is exported.

BRITISH COMMODITY MARKETS

BASE METALS
COPPER—Moved ahead on the London Metal Exchange...
ZINC—Stronger than below the day's highest levels...

TIN—Slightly firmer. Forward metal closed at 28,910...
LEAD—Marginally easier in fairly active trading...

COFFEE
Robusta opened unchanged to slightly lower during a quiet morning session...
Cocoa—Forward metal closed at 28,910...

RUBBER
UNCHANGED opening on the London physical market...
Soyabean Meal—Forward metal closed at 28,910...

PRICE CHANGES
Price in tonnes unless otherwise stated.
Aluminium, Copper, Zinc, Tin, Lead, Nickel, Silver, Gold, Platinum, Palladium, Uranium, Vanadium, Manganese, Magnesium, Potassium, Sodium, Calcium, Barium, Strontium, Bismuth, Antimony, Arsenic, Selenium, Tellurium, Iodine, Bromine, Fluorine, Chlorine, Phosphorus, Sulfur, Silicon, Boron, Carbon, Nitrogen, Oxygen, Hydrogen, Helium, Neon, Argon, Krypton, Xenon, Radon.

AMERICAN MARKETS

NEW YORK, Jan. 29
Wheat, Corn, Soyabean Meal, Cotton, Sugar, Coffee, Cocoa, Rubber, Tallow, Lard, Hides, Wool, Iron, Steel, Copper, Aluminum, Zinc, Tin, Lead, Nickel, Silver, Gold, Platinum, Palladium, Uranium, Vanadium, Manganese, Magnesium, Potassium, Sodium, Calcium, Barium, Strontium, Bismuth, Antimony, Arsenic, Selenium, Tellurium, Iodine, Bromine, Fluorine, Chlorine, Phosphorus, Sulfur, Silicon, Boron, Carbon, Nitrogen, Oxygen, Hydrogen, Helium, Neon, Argon, Krypton, Xenon, Radon.

EUROPEAN MARKETS

ROTTERDAM, Jan. 29
Wheat, Corn, Soyabean Meal, Cotton, Sugar, Coffee, Cocoa, Rubber, Tallow, Lard, Hides, Wool, Iron, Steel, Copper, Aluminum, Zinc, Tin, Lead, Nickel, Silver, Gold, Platinum, Palladium, Uranium, Vanadium, Manganese, Magnesium, Potassium, Sodium, Calcium, Barium, Strontium, Bismuth, Antimony, Arsenic, Selenium, Tellurium, Iodine, Bromine, Fluorine, Chlorine, Phosphorus, Sulfur, Silicon, Boron, Carbon, Nitrogen, Oxygen, Hydrogen, Helium, Neon, Argon, Krypton, Xenon, Radon.

PARIS, Jan. 29
Wheat, Corn, Soyabean Meal, Cotton, Sugar, Coffee, Cocoa, Rubber, Tallow, Lard, Hides, Wool, Iron, Steel, Copper, Aluminum, Zinc, Tin, Lead, Nickel, Silver, Gold, Platinum, Palladium, Uranium, Vanadium, Manganese, Magnesium, Potassium, Sodium, Calcium, Barium, Strontium, Bismuth, Antimony, Arsenic, Selenium, Tellurium, Iodine, Bromine, Fluorine, Chlorine, Phosphorus, Sulfur, Silicon, Boron, Carbon, Nitrogen, Oxygen, Hydrogen, Helium, Neon, Argon, Krypton, Xenon, Radon.

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You could realize substantial investment return through our multi-million dollar commodity group with a proven record of success. Minimum investment: \$20,000.

COMMODITY PROFILES

Table with columns for Commodity, Price, Change, and Notes. Includes items like Wheat, Corn, Soyabean Meal, Cotton, Sugar, Coffee, Cocoa, Rubber, Tallow, Lard, Hides, Wool, Iron, Steel, Copper, Aluminum, Zinc, Tin, Lead, Nickel, Silver, Gold, Platinum, Palladium, Uranium, Vanadium, Manganese, Magnesium, Potassium, Sodium, Calcium, Barium, Strontium, Bismuth, Antimony, Arsenic, Selenium, Tellurium, Iodine, Bromine, Fluorine, Chlorine, Phosphorus, Sulfur, Silicon, Boron, Carbon, Nitrogen, Oxygen, Hydrogen, Helium, Neon, Argon, Krypton, Xenon, Radon.

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LONDON COMMODITY CHARTS

Table with columns for Commodity, Price, Change, and Notes. Includes items like Wheat, Corn, Soyabean Meal, Cotton, Sugar, Coffee, Cocoa, Rubber, Tallow, Lard, Hides, Wool, Iron, Steel, Copper, Aluminum, Zinc, Tin, Lead, Nickel, Silver, Gold, Platinum, Palladium, Uranium, Vanadium, Manganese, Magnesium, Potassium, Sodium, Calcium, Barium, Strontium, Bismuth, Antimony, Arsenic, Selenium, Tellurium, Iodine, Bromine, Fluorine, Chlorine, Phosphorus, Sulfur, Silicon, Boron, Carbon, Nitrogen, Oxygen, Hydrogen, Helium, Neon, Argon, Krypton, Xenon, Radon.

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LONDON STOCK EXCHANGE

Companies and Markets

Emphasis on secondary issues as leaders drift lower at start of new Account—Variable coupon Gilts weak

Account Dealing Dates

*First Declared Last Account Dealings Dates... Jan. 15 Jan. 25 Jan. 26 Feb. 6 Jan. 29 Feb. 8 Feb. 9 Feb. 20 Feb. 12 Feb. 23 Mar. 6

Leading shares opened a penny or two higher at the start of the new trading Account yesterday, anticipating a further slight improvement in the labour situation and, perhaps, even a settlement of one or more of the current disputes which are bearing heavily on UK industry.

Institutional operators were content to play a waiting game, however, and although a few small public investors showed interest in the leaders, the greater emphasis was again put on secondary stocks.

A subsequent downward drift in leading issues was aggravated by occasional selling orders later in the day and the FT Industrial Ordinary share index, which at 10 am had shown a small rise, closed at the day's lowest with a fall of 1.7 to 4633.

The two existing Variables were sharply affected through switching and sustained losses of 1.1 apiece, the 1981 stock closing at 96 1/2 and the 1982 at 95 1/2. Elsewhere in the shorts, gains extended to 1/2 after early losses of 1/4, while many mediums and longs were being quoted higher in the late inter-office trade.

trading with demand evident for investment in Far-Eastern and U.S. securities and closed up on balance at 83 1/2 per cent. Yesterday's SE conversion factor was 0.6762 (0.6760).

Against last week's daily average of 641, only 411 contracts were completed in the Traded Option market yesterday with 135 being dealt in Courtwards and 110 in Grand Metropolitan.

Wintrust higher

Favourable comment ahead of the dividend season which has started, led to a rise in February 16 helped the major clearing banks hold steady to firm. Best levels were not held and Barclays closed 3 to the good at 380p, after 382p, while Lloyds touched 292p but ended unaltered at 290p.

Insurance Brokers achieved gains throughout the list in response to Press comment. Sewick Forbes, which returned to the market last week following publication of the proposed merger with Bland Payne, added 4 1/2 to 398 1/2.

News that Allied intended to raise beer prices by 3p per pint from February 14 resulted in leading breweries making early gains, but interest drifted off in later trading to leave most issues at pre-weekend levels.

Quietly firm conditions prevailed among leading Building issues. Occasional speculative interest lifted Leyland Faint 4 to 55p and mtrix, 630p. Small buying in a restricted market lifted Brent 10 to 210p, while Stewart Plastics, awaiting today's interim results, found a little late support and firmed 4 to 17 1/2p.

DIY's good again

Proceedings in the Stores market continued to be dominated by D-I-Y concerns which attracted another useful demand and secured further good gains. Up 28 last week in response to the record earnings and proposed 400 per cent scrip-issue, Status Discount added 7 more to 245p, while Home Charm put on 6 at 268p, after 272p, and A. G. Stanley appreciated 4 at 300p.

Renewed buying ahead of the interim figures expected early next month prompted a rise of 9 to 201p in MFI Furniture. Elsewhere, investment buying lifted Banners 7 to 135p, after 139p, while Lantance firmed 3 to 180p following small demand in a thin market.

The Electrical leaders closed a shade off in places after showing a slightly harder tendency at the opening. Scattered offerings ahead of today's interim statement led Decca 'A' 13 lower at 350p, while Lantance firmed 3 to 180p following small demand in a thin market.

Engineering leaders eventually drifted off to close a few pence lower on balance. Hawker Siddeley eased 3 to 218p and falls of 2 were marked against GRN, 246p, and Tubes, 360p.

found support at 88p, up 3, while news that Haygate had increased its stake in the company to 15.05 per cent prompted a gain of 2 to 76p in Carr's Milling. In predominantly firm Metals, Trust Houses Forte, ahead of the annual results on Thursday, held at 351p.

Bellair up

Starting the new Account quietly, the miscellaneous Industrial leaders plotted an irregular course in this trading. After initial firmness to 606p, Bechtel reacted to close 5 off at 600p, and Glaxo ended the same amount lower at 478p, after 485p.

Secondary issues paraded several firm features, usually in response to weekend Press comment. For that reason, J. F. Nash Securities put on 6 1/2 to 80p, Bellair firmed 4 to 148p in the interim results, while Lantance firmed 3 to 180p following small demand in a thin market.

Small gains predominated in Trusts. Press mention stimulated buying interest in Yorkland, which advanced 1 1/2 to 113 1/2p. Among Financials, buying ahead of the interim results, due shortly, left Dalgety 7 to the good at 320p.

Shippings tended firmer again, with buyers showing interest in the Leisure sector, small selling left lottery tickets, conner Norton and Wright 5 cheaper at 140p. Deals in Volvo were resumed at the suspension price of 214 after the shareholders' rejection of the proposed deal to 100 per cent of the company to Norway. Other Motor and kindred issues closed narrowly mixed.

84p and 94p respectively for like reasons. Scattered losses in the Oil leaders mainly reflected the absence of support. British Petroleum drifted off to close 6 cheaper at 890p, while Shell eased a few pence to 560p.

Following termination of the merger talks with Cambridge Petroleum Royalties, dealings were resumed in Attock Petroleum which opened at 82p compared with the suspension price of 88p and eased to close at 78p.

Among Overseas Traders, Lonrho rose 3 to 67p in front of the preliminary results due tomorrow. S. and W. Berisford responded to publicity given to a broker's recommendation, adding 6 at 168p. Meat traders, Thomas Borthwick firmed 2 to 75p following the chairman's favourable remarks about current trading at yesterday's AGM.

Depressed on Friday after the cessation of bid talks, J. E. Sanger recovered slightly, closing a penny to the good at 33p.

Small gains predominated in Trusts. Press mention stimulated buying interest in Yorkland, which advanced 1 1/2 to 113 1/2p. Among Financials, buying ahead of the interim results, due shortly, left Dalgety 7 to the good at 320p.

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The former forged ahead in the wake of the buoyant free market platinum price and on consideration of Friday's news that Rustenburg had lifted its selling price by 825 to \$325 per ounce.

Demand was widespread with American buying in evidence throughout the day. Rustenburg, which topped our list of active stocks, rose to a 1978-79 high of 152p before easing back to close 9 firmer on balance at 147p, while Impala advanced 16 to 234p and Lydenburg 10 to 100p.

A good performance by the bullion price—finally 75 cents higher at \$235.875 per ounce—encouraged buyers of Golds and Financials.

After holding steady for most of the day gold shares picked up towards the close reflecting U.S. buying. The Gold Mines index premium index rose 0.4 to 113.7.

South African Financials advanced across a broad front. "Johnnies" rose 1 to 17 1/2p reflecting their considerable platinum interests and Union Corporation added 5 to 350p for the same reason.

Renewed buying from Johannesburg lifted General Mining 15 to a 1978-79 high of 430p. A useful upturn in U.S. markets late on Friday coupled with fresh buying from Johannesburg saw De Beers improve 12 to 44 1/2p.

London-based Financials all made good progress. The continuing firmness of copper prompted a 5 gain in Rio Tinto-Zinc. Gold Fields rose a like amount to 196p and Charter closed 7 up at 144p.

Although domestic market were closed overnight for Australia Day, the Australian issues attracted a good deal of interest. Take-over hopes were raised in Hampton Areas which traded at 162p prior to being temporarily suspended at the company's request pending an announcement.

FINANCIAL TIMES STOCK INDICES. Table with columns for Jan 29, Jan 26, Jan 25, Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, Jan 19, Jan 18, Jan 17, Jan 16, Jan 15, Jan 14, Jan 13, Jan 12, Jan 11, Jan 10, Jan 9, Jan 8, Jan 7, Jan 6, Jan 5, Jan 4, Jan 3, Jan 2, Jan 1, 1978, and A Year Ago.

HIGHS AND LOWS. Table with columns for 1978/9 (High, Low) and S.E. ACTIVITY (Daily Gained, Industrials, Speculative, Total).

NEW HIGHS AND LOWS FOR 1978/9. Table listing various stocks and their prices.

ACTIVE STOCKS. Table with columns for Stock, Denomination, Closing price, Change, 1978-79 high, and 1978-79 low.

BOND DRAWINGS

IRELAND U.S. Bonds 9% 1985

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.\$900,000 due 1st March, 1979 has been met by purchases in the market to the nominal value of U.S.\$416,000 and by a drawing of Bonds to the nominal value of U.S.\$484,000.

Table of bond drawings with columns for Bond No., Amount, and other details.

On 1st March, 1979 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of— S. G. WARBURG & CO. LTD., 30, Gresham Street, London, EC2P 2EB.

U.S.\$900,000 nominal amount of Bonds will remain outstanding after 1st March, 1979. The following Bonds previously drawn for redemption on dates as shown below, have not yet been presented for payment.

Table of bonds not yet presented for payment with columns for Bond No., Amount, and other details.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for Option, Exercise Price, Closing Price, Vol., etc.

RECENT ISSUES

Table of Recent Issues with columns for Issue, Price, etc.

EQUITIES

Table of Equities with columns for Issue, Price, etc.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks with columns for Issue, Price, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Equity Groups, Mon., Jan. 29, 1979, and other details.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Franklin Unit Mgt. Ltd., Minter Fund Managers Ltd., and others, with columns for name, address, and contact information.

Table listing unit trusts including Prud. Portfolio Mgrs. Ltd., Schiesinger Trust Mgrs. Ltd., and others, with columns for name, address, and contact information.

Table listing unit trusts including Abbey Life Assurance Co. Ltd., Amey Life Assurance Ltd., and others, with columns for name, address, and contact information.

Table listing unit trusts including Barclays Life Assurance Co. Ltd., Beehive Life Assur. Co. Ltd., and others, with columns for name, address, and contact information.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds such as Alexander Fund, Keyser Ullmann Ltd., and others, with columns for name, address, and contact information.

CORAL INDEX: Close 461.466

INSURANCE BASE RATES
Property Growth 12%
Fire/Guaranteed 7.75%

NOTES

Notes regarding insurance and fund details.

FOR YOUR COMPANY- CASH FLOW GUARANTEED

contact-B. D. Kay INTERNATIONAL FACTORS LTD

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield.

INTERNATIONAL BANK CORPORATION LOANS

Table of International Bank Corporation Loans with columns for Name, Price, Dividend, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, Price, Dividend, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, Dividend, and Yield.

BONDS & RAILS-Cont.

Table of Bonds & Rails with columns for Name, Price, Dividend, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, Dividend, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Name, Price, Dividend, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, Dividend, and Yield.

BANKS & HP-Continued

Table of Banks & HP with columns for Name, Price, Dividend, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, Dividend, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, Dividend, and Yield.

RETAILERS

Table of Retailers with columns for Name, Price, Dividend, and Yield.

RETAILERS

Table of Retailers with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS-Cont.

Table of Chemicals, Plastics with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, Dividend, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Name, Price, Dividend, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, Dividend, and Yield.

ENGINEERING-Continued

Table of Engineering with columns for Name, Price, Dividend, and Yield.

FOOD, GROCERIES, ETC

Table of Food, Groceries, Etc with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS (Misc.)

Table of Industrials (Misc.) with columns for Name, Price, Dividend, and Yield.

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INDUSTRIALS (Misc.)

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FOOD, GROCERIES-Cont.

Table of Food, Groceries with columns for Name, Price, Dividend, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS (Misc.)

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various engineering firms. Columns include stock name, price, and percentage change.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property-related stocks including companies like British Land, Guinness, and various real estate firms.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Investment Trust, Guinness Investment Trust, and others.

FINANCE, LAND—Continued

Table of finance and land-related stocks including companies like British Finance, Guinness Finance, and others.

NOMURA The Nomura Securities Co. Ltd. Japan's leader in international securities and investment banking. Includes London office address and contact information.

MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and various metal mines. Columns include stock name, price, and percentage change.

TEAS

Table of tea stocks including companies like Anglo Tea, De Beers Tea, and others.

INDIA AND BANGLADESH

Table of stocks from India and Bangladesh including companies like Anglo India, De Beers India, and others.

SRI LANKA

Table of stocks from Sri Lanka including companies like Anglo Sri Lanka, De Beers Sri Lanka, and others.

AFRICA

Table of stocks from Africa including companies like Anglo Africa, De Beers Africa, and others.

MINES

Table of mining stocks including companies like Anglo Mines, De Beers Mines, and others.

CENTRAL RAND

Table of stocks from the Central Rand region including companies like Anglo Central Rand, De Beers Central Rand, and others.

EASTERN RAND

Table of stocks from the Eastern Rand region including companies like Anglo Eastern Rand, De Beers Eastern Rand, and others.

LEISURE

Table of leisure-related stocks including companies like British Leisure, Guinness Leisure, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Motors, Guinness Motors, and others.

SHIPPING

Table of shipping stocks including companies like British Shipping, Guinness Shipping, and others.

SHOES AND LEATHER

Table of shoe and leather stocks including companies like British Shoes, Guinness Shoes, and others.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like British Rubbers, Guinness Rubbers, and others.

TINS

Table of tin stocks including companies like Anglo Tins, De Beers Tins, and others.

COPPER

Table of copper stocks including companies like Anglo Copper, De Beers Copper, and others.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo Misc, De Beers Misc, and others.

GOLDS EX-GRANDIS

Table of gold stocks including companies like Anglo Gold, De Beers Gold, and others.

NOTES

Notes section providing information about the publication, subscription rates, and contact details for the publisher.

REGIONAL MARKETS

Table of regional market data including indices for various regions like the US, Europe, and Asia.

OPTIONS

Table of options data including call and put rates for various stocks.

INSURANCE

Table of insurance stocks including companies like British Insurance, Guinness Insurance, and others.

PROPERTY

Table of property-related stocks including companies like British Property, Guinness Property, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks including companies like British Trusts, Guinness Trusts, and others.

FINANCE, LAND, etc.

Table of finance, land, and other stocks including companies like British Finance, Guinness Finance, and others.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo Diamonds, De Beers Diamonds, and others.

CENTRAL AFRICAN

Table of stocks from the Central African region including companies like Anglo Central African, De Beers Central African, and others.



Penetrates the Property Market with Grimley & son

Gundelach to keep up price freeze drive

BY CHRISTOPHER PARKES

MR. FINN-OLAV GUNDELACH, Common Market Agriculture Commissioner, is pressing ahead with his campaign for a freeze on "Common" farm prices in Europe...

been campaigning vigorously to drive out of business the small producers Mr. Gundelach is so eager to protect. The Commissioner said the money raised from the levy would be returned to national governments to help stimulate milk and dairy products consumption...

Vice-President Deng's U.S. message

'We must work for world peace'

BY JUREK MARTIN AND COLINA MACDOUGALL IN WASHINGTON

THE U.S. and China were duty bound to work together to promote world peace, security and stability, Chinese Vice-Premier Deng Xiaoping declared in Washington yesterday. In remarks on the White House lawn marking the official beginning of his nine-day visit to the U.S., the Vice-Premier noted that the factors making for war were visibly growing in the world today...

Chinese proverb. The opening ceremonies were marked briefly by two young people who began shouting slogans: "Traitor Deng beware," and "Long live Mao and the gang of four." They were quickly dragged away from the Press stand by secret servicemen. Outside the White House, groups supporting Taiwan marched and chanted, their voices drifting over the White House lawns...



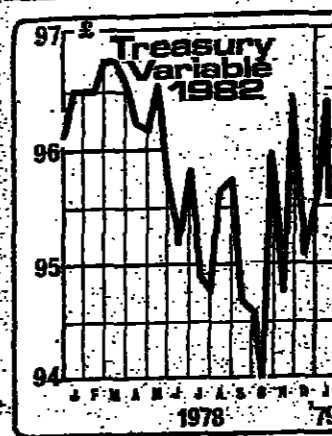
Chinese Vice-Premier Deng Xiaoping claps his hands as he steps from his aircraft on arrival at Andrews Air Force Base.

The Soviet strategic force might surpass that of the U.S. He endorsed those in this country who opposed the conclusion of a strategic arms agreement between the U.S. and the Soviet Union, which he saw as enhancing Soviet military might. President Carter, on the other hand, is likely to emphasize that the U.S. hopes to maintain a balanced relationship with both the Soviet Union and China...

THE LEX COLUMN

Big discount for new Variables

Index fell 1.7 to 463.3



The first two variable rate gilt-edged stocks have provided quite a haven from the storms of the past few months, but holders suffered a bit of a jolt yesterday when the Government broker proved a willing seller of his latest variable rate stock, colloquially known as V3, at a price as low as 94. As a result V1 and V2 shed the best part of a point each, a reminder of what can happen when the authorities attack a section of the gilt-edged market which has been effectively untapped for some time...

belongs to a Pilkington associate in Mexico. Unable directly to attack the major western economies, as it had been forced through earlier financial constraints to sell the float process under licence to other companies in Europe, North America and Japan, Pilkington has been building up an impressive set of manufacturing interests elsewhere. Recent profit figures have shown the benefit of these investments. When float glass factories began to run-out in the early 1980s this manufacturing income will be essential to offset the loss of earnings from royalties. In addition, Pilkington's investments now should assure it strong competitive advantages in countries such as Scandinavia and South Africa by then...

So Brazil looks a good idea in principle. But Pilkington is being curiously coy about the advantages of this particular deal, giving no trading details about the two companies except to say that they are profitable. Pilkington's record may allow shareholders to take a good deal on trust but a few more details about this rather complicated business might be reassuring.

Thos. W. Ward

A year ago Thos. W. Ward welcomed the Eyles recommendations on inflation accounting and the company was one of the first large groups to comply. But this year's annual report omits any mention of inflation accounting although the chairman states that "we still need to improve the real rate of profit if we are to satisfy the future needs of the business and provide adequate dividends for shareholders."

Ward, with a heavy investment in stock and work in progress, is vulnerable to inflation, and shareholders may wonder why current cost disclosures have been abandoned. Just ahead of a probable rise in the UK inflation rate. The answer, apparently, is that Ward does not believe there is an adequate consensus on what are suitable inflation adjustments. Yet surely there is more of a consensus now than there was a year ago.

Pilkington

Pilkington's decision to take stakes in two Brazilian glass companies for £14.5m follows its general strategy of securing wide geographical spread for its float glass manufacturing interests. Latin America is a tempting market—the only float glass plant there at present...

UK hopes for £100m Argentine naval order

By Hugh O'Shaughnessy and Ian Hargreaves

British manufacturers of naval equipment are expected to secure about £100m of sub-contracting work when Argentina confirms its order shortly for six frigates worth some £500m from the West German yard of Blohm and Voss.

It was given a provisional contract in the middle of last year and is understood to have won the contract outright after hesitation by the Bonn government about the deal. These reservations were caused by the prospect of war between Argentina and Chile over the Beagle Channel dispute.

Bonn had not wanted to approve an arms contract with a country on the brink of war, but the danger of hostilities has receded. The Pope agreed last week to mediate in the dispute. Rolls-Royce is likely to supply Marine Olympus engines for the vessels, David Brown the gearboxes and Hawker Siddeley the engine room controls. Westland is in the running for any helicopters for the warships.

There is natural disappointment among British companies about the loss of the main order for which Vespene Thornycroft, a subsidiary of British Shipbuilders, was bidding last year. However, they take some consolation from the Export Credit Guarantee Department being able to book new British business with Argentina. Had the frigate deal gone through, ECGD's quota for Argentine business and its ability to give cover might have been exhausted.

Pilkington buys stake in Brazil companies

BY ANDREW TAYLOR

PILKINGTON BROTHERS is to pay about £14.5m for strategic stakes in two Brazilian glass manufacturing companies. The deals will give Pilkington an interest in South America's first float glass plant.

In the past five years Pilkington has earned more than £150m in royalties and technical fees from its revolutionary float glass manufacturing process. It has been seeking to use some of that to expand its glass-making activities.

The deals will give Pilkington a 38 per cent stake in Providro, which makes sheet glass and 50 per cent of Santa Lucia Cristalis Blindex, which produces safety glass. Pilkington will be in partnership with BSN Gervais Danone, a French-based conglomerate with significant glass interests through its West German subsidiary, Flachglas. BSN will hold identical stakes in the two Brazilian companies. The Brazilian companies reported combined net assets of U.S.\$38m (£19m) at the end of 1977 but Pilkington has declined to disclose profits.

The most important aspect of the deals, however, will be Pilkington's interest in a new float glass plant to be built by Providro and Santa Marina, another Brazilian glass manufacturer. Construction of the new plant is to start this year and might cost £70m at current prices. Pilkington has a 35 per cent stake in a float glass operation in Mexico and owns two float plants in Canada. It also owns a sheet glass company in Argentina.

The float glass process, in which molten glass is floated on molten tin, is used under licence by manufacturers in many countries, including the Soviet Union, Japan and the U.S. In 1977-78 Pilkington earned £33m pre-tax profit from float glass royalties: 46 per cent of total group profits of £72m.

The float glass process, in which molten glass is floated on molten tin, is used under licence by manufacturers in many countries, including the Soviet Union, Japan and the U.S. In 1977-78 Pilkington earned £33m pre-tax profit from float glass royalties: 46 per cent of total group profits of £72m.

Bank workers oppose general extension of working hours

BY NICK GARNETT, LABOUR STAFF

A FIRM LINE against the general extension of bank opening hours was adopted yesterday by a special delegate conference of the National Union of Bank Employees. Where extended opening can be negotiated the union will seek a 28-hour working week. This is likely to make it more difficult for the clearing banks, most of which have drawn up schemes for lengthening opening hours, to negotiate changed banking times at their branches. However, the delegate conference did leave the door open part of the way and the banks will use this to try to negotiate new schemes, principally involving extended weekday opening. The conference of representatives from almost all the union's 220 area branches decided to oppose the opening of domestic bank branches on Saturdays and if necessary consider industrial action to support that view. This was generally in line with the recommendation of the union's executive and is of no surprise to bank management.

machinery have been established. The clearing banks' national negotiating machinery is in disarray although the conference decision implies that there may be a considerable number of cases involving altered opening times on which the union might be prepared to negotiate. The conference decided that, in all cases involving opening hours outside existing hours, the total basic working week must be reduced with adequate agreed safeguards on staffing levels. There should be no increase in the 35-hour week or the number of days worked by members at the branches concerned. Where extended opening hours are proposed, the union will aim to negotiate a four-day 28-hour working week, excluding Saturdays and Sundays, and for an increase in staffing levels. A substantial premium based on percentage of salary will be established to be paid to all staff depending on the nature of the hours to be worked.

Help urged for home buyers

By Michael Cassell A FINANCIAL safety net should be established to help people with lower incomes who run into financial difficulties after inguiring their own homes, according to "Roof", the Shelter magazine.

BL to recall 5,100 men

By Kenneth Gooding

BL is to recall 5,100 laid off at the Austin Morris plant at Cowley, Oxford, tomorrow and a further 2,600 at the neighbouring Pressed Steel Fisher factory which supplies bodies for Cowsley.

It is understood that haulage companies which ship components to Cowley have settled with their drivers and normal supplies are getting through to the plant. The first Cowley layoffs were made on Tuesday last week and by the weekend the plant was at a standstill. Now there will be only 200 laid off within the Austin Morris volume cars division of BL at a factory in Coventry which rebuilds engines.

Ford's production is still well below normal levels and the impact of the dispute continues to reverberate around the group's European operations. With East coast ports it usually employs still locked tight, Ford has found other methods of getting its components distributed. It has, for example, been air-lifting some parts from the Dagenham plant via Stansted to Hailwood on Merseyside and to the factory at Genk in Belgium.

Amex improves terms

Continued from Page 1

chairman and chief executive of American Express, describes the fierce opposition to the deal as a "scorched earth" policy which could damage McGraw-Hill's business, "making the transaction less desirable to us or any other possible bidder." McGraw-Hill has argued that if its publishing and credit-rating businesses were taken over by American Express their credibility, and therefore their business prospects, would be damaged by potential conflicts of interest. American Express is a financial conglomerate, and McGraw-Hill controls Business Week magazine and the Standard and Poors credit-rating concern.

In an effort to meet that criticism American Express yesterday offered to work out arrangements designed to secure their editorial independence, modelled on "arrangements in effect with respect to the Economist in London and other important publications." It is unlikely, however, that American Express would want to surrender part of the equity in McGraw-Hill's magazine interests.

Editorial independence at the Economist is protected by a self-perpetuating board of trustees first appointed in 1929. The trustees can veto the removal of the editor and must also agree to the appointment of a new editor. A clause confines the largest shareholder, the Financial Times, to a maximum of half of the shares, thus preventing any one owner having effective control.

Hauliers revise offer

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settled with their drivers on the union's claim. This is a small proportion of the 49,000 hire and reward haulage companies operating in Britain. Many of these, however, are Swindon drivers who are not strictly affected by the union's claim. Hauliers in Scotland were now making company settlements with their drivers since union officials there had decided to drop sanctions against any employer who agreed to meet the union's full money claim. Philip Rawstone writes: Some 10,000 of the 40-60,000 lorry drivers had returned to work. Mr. Merlyn Rees, Home Secretary, told the Commons yesterday. Speaking on the day when BL announced that it would tomorrow recall 7,700 men laid off at the Cowley car plant and the Pressed Steel Fisher factory, he said, the movement of supplies through the ports was improving. Normal operations were being resumed at ports in East Anglia, more goods were beginning to move from Hull, and there was practically no picketing at Avonmouth.

Mr. Rees said that the Government had pressed the transport unions for a strict application of the picketing code of practice at the docks and inland container terminals. They had been told it was vital that there should be no obstruction of priority supplies or of any goods carried by vehicles not involved in the dispute. Pressed by Tory MPs about allegations of intimidation by pickets, Mr. Rees retorted that those who did not report such cases to the police "deserve what they get." Amid protests, he added later: "They have to trust the police. They will be protected."

Mr. Rees told MPs that industrial production had now fallen to about 85 per cent of normal and that some 250,000 workers had been laid off.

Weather and Business Centres table with columns for location, day, and temperature/conditions

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